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ABSTRACT

The final report of an investigation of colleges and universities that received substantial support through Title III of the Higher Education Act is presented. The objective was to determine the significant accomplishments that could be associated with the federal or other external investments. Site visits and case studies were undertaken with a sample of 51 institutions, with special attention to selected developmental activities. After an overview of the study, the history of Title III, and the nature of institutional development, characteristics of the sample institutions and development activities are described. Attention is also directed to criteria for selecting institutions that are viable or vulnerable, and factors that influence development. Additional analyses cover a structure for defining and viewing developmental activities as a unit of analysis, and the ways activities may contribute to the broader institutional viability specified by Title III. Finally, the interactions of fiscal, management, and program activities, and implications for Title III are discussed, as are special issues and a model for development. Information on the study methodology, an executive summary, current Title III legislation and regulations, and questionnaires are appended. (SW)

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CENTER FOR EDUCATIONAL STUDIES

RTI Report No. 2102/08-01F

October 1983

The Anatomy of Institutional Development for Higher Education Institutions Serving Students from Low-Income Backgrounds

FINAL REPORT

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Prepared for:

U.S. Department of Education
Office of Planning, Budget, and Evaluation
Planning Evaluation Service
Student Institutional Aid Division
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RESEARCH TRIANGLE PARK, NORTH CAROLINA 27709

The Anatomy of Institutional Development for Higher Education Institutions Serving Students from Low-Income Backgrounds

Prepared for:

U.S. Department of Education
Office of Planning, Budget, and Evaluation
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This report documents the second phase of work completed under contract number 300-80-0834 with the Office of Planning, Budget, and Evaluation of the U.S. Department of Education. However, the contract does not necessarily reflect the position or policy of that agency, and no official endorsement of findings or recommendations should be inferred. The amount charged to the Department of Education for the Phase II work, associated with this report, was $694,014.

Preface

One of the principal investigators recalls a day in December 1966, when he dropped in on a respected colleague and old friend at 7th and D Streets in Washington. The friend, Dr. Willa Player, seemed near tears. The objects of her concern were two tables stacked as high as her assistant could reach with the first batch of HEA Title III proposals. "We've not only got to find a way to read these," she said, "but also to make sound judgments." That brought to mind the prayer of Ernest Hemingway's old man who said "Oh Lord, the sea is so big, and my boat is so small...."

The Title III program is today some eighteen years old; the 1966 allocation of five million dollars has grown, in the 1983 fiscal year, to $129 million not including two substantial supplements, with further increase to $134 million anticipated for fiscal 1984. Hundreds of institutions serving students from low-income backgrounds have received financial assistance for activities designed to improve their quality and their viability, and to help them "enter the mainstream of American higher education." One wonders at this point, with apologies to Dr. Broadus Butler who helped draft the original legislation, if perhaps those institutions had not always been in one of the vital mainstreams. They served their student constituencies faithfully and well, and continue to do so. They developed creative programs and produced many graduates who have entered the professions and technical skill areas, and continue to do so. Yet, from many perspectives, the sea is still so big, the boat so small....

It was therefore with a profound sense of excitement that we accepted the opportunity of taking a close look in 1982-83 at a number of institutions that had received substantial grants through the Title III program, with a mandate to seek out the significant accomplishments that could be associated with the Federal or other external investments. The contract called for visits to a sample of 50 institutions, with special attention to selected developmental activities through a case study approach. We found a considerable range of faculty attitudes, staff functions, student aspirations, academic and technical programs, values, hopes, crises, hurdles, and levels of enthusiasm for the future. As we talked with administrators and faculty, we perceived such institutional climates as continued frustration, smug complacency, quiet confidence, and exhilaration in meeting challenges well. We were sometimes

caught up in the neon jungles surrounding the urban institution; or, we walked dark and lonely rural roads at night to the area's best fast-food restaurant to discuss what we had learned that day. We talked with beautiful dark eyed Native American students, for the first time so far (50 miles) from home, excited about their coursework and opportunities; with a young black man only four years away from the hopelessness he had experienced in a Baltimore ghetto, now preparing himself with deserved confidence for the CPA exam; with groups of freshmen intent on developing their basic academic skills and choosing meaningful career options. The overwhelming and pervasive emotion was one of awe and respect for the number of young lives affected, for the dedication and competence of the faculties, for the excitement of new accomplishment, for the new integrities of so many of the institutions--and for the professional maturity that the Title III program has helped these institutions to achieve.

We acknowledge a deep and profound debt to the Federal project officer with technical oversight responsibility for this research, Dr. Sal Corrallo of the Office of Planning, Budget, and Evaluation, U.S. Department of Education. Dr. Corrallo, deeply involved in the prior ED contracted evaluations of the Title III program and as an advisor in many of the substantive decisions by Title III program management, maintained from the outset that the basic concerns not be limited to those that traditional design considerations permitted, but rather take on the larger and more elusive issues of what constitutes and what prompts overall effective institutional development, with particular attention to fiscal health and viability. His constant emphasis was not just the developmental activities of apparent merit, however supported, but also those larger contextual factors that made a demonstrable difference in the security, vitality, quality, and self-sufficiency of the institution as a whole.

The principal investigators, of course, must assume responsibility for any errors of judgment or generalization from the experience. But we--and the Title III Program staff--recognize that Dr. Corrallo's experience and insight into Federal education programs, the Congressional intent for Title III, and what institutions must do to survive and to control their destinies, provided valuable focal points that were unusually productive.

In the prior management study and in the planning and field test for the effort here reported, we were ably assisted by the Center for Systems and

Program Development, Inc., of Washington, D.C. (CSPD). Special thanks go to its president, Ruth Perot, and the professional staff member responsible for the subcontract with RTI, William Ellis, now a professor of political science at Howard University. Both contributed in important ways to the fundamental conceptualizing and structuring of the present two-year study.

We gratefully acknowledge, also, the unusual competence, dedication, and energy of the teams of specialists assembled to share in the site visits in particular, and also in the planning of the research effort and review of its findings. As bright and capable people of good conscience, they frequently debated with us vigorously; but, we all grew from one another, and are, as is the report, the better for it.

The following consultants served in the present study: Robert Albright, formerly Vice Chancellor for Student Affairs, UNC-Charlotte, now President, Johnson C. Smith University; George Breathett, Director of Planning and Title III Coordinator, Bennett College; Robert Broughton, Vice President for Business, Colorado College; Ben Cameron, independent consultant; Collie Coleman, Vice President for Academic Affairs, Shorter College; Wade Ellis, independent consultant, Associate Dean (Emeritus) Horace H. Rackham School of Graduate Studies, University of Michigan; James Garnes, Executive Director of Development, Marquette University; Archie Hargraves, President, West Side Organization, Chicago, Illinois; Rose Mary Healy, Director of Institutional Planning, Iona College; Thomas James, Executive Assistant to the President, Spring Hill College; William Jenkins, Vice Chancellor for Finance and Business, N.C. State University; Wright Lassiter, formerly President, Schenectady Community College, now President, Bishop College; Sylvia Law, Chief of Accounting, Maryland State Department of Health and Mental Hygiene; William McFarlane, Professor of Philosophy and Religion, George Mason University; Warren Morgan, Vice President for Academic Affairs, Paul Quinn College; Mae Nash, formerly Associate Director for Special Programs, NACUBO, now Vice President for Planning and Advancement, Paul Quinn College; Alan Pfnister, Professor of Higher Education, University of Denver; and Marwin Wrolstad, Vice President for Business Affairs and Treasurer (Emeritus), Lawrence University.

RTI staff involved in the planning and conduct of the site visits were: J. A. Davis, Roderick Ironside, John Pyecha, Jerry VanSant, and Lucia Ward. Graham Burkheimer, Suzie Bolotin, Roger Cohen, and Tulasi Chittor assisted in the abstraction of statistical data from HEGIS and other ED files, and in

sampling and statistical analyses. CSPD staff or consultants who participated in the early site visits included William Ellis, Lenneal Henderson (of Howard University), Ruth Perot (President), and Stanley Straughter (of the CPA firm, Leevy, Redcross & Co.).

Many others have been of substantial, indeed crucial, assistance. We owe particular debt to the presidents, chancellors, and other administrative officers of the institutions that agreed to participate in the research, select appropriate developmental activities, and arrange productive visit schedules. We are also indebted to the many key personnel and faculty who went far beyond the call of their immediate responsibilities to share their experiences, and to speculate with us on the issues involved in equal opportunity, program quality, and institutional development. Including students and staff at all levels, as well as certain individuals no longer formally associated with given institutions, we interacted productively with well over a thousand persons.

Many staff then or now in the Division of Institutional Development (the Title III Program office) of the U.S. Department of Education, provided immeasurable assistance in gathering and interpreting relevant materials and in giving unselfish and creative advice; we are grateful here, in particular, to John Rison Jones, Jowava Leggett, Roger Norden, and James Ormiston.

Finally, to the able secretaries, Barbara Elliott, Linda Shaver, and Celestine Smith, who managed numerous operational tasks and who produced for us some billion words, we express our appreciation for a job well done.

J. A. Davis
Roderick Ironside
Jerry VanSant

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Part One:
Description of the Study

Chapter I
Overview

This chapter presents the purpose of the study as the determination of factors associated with the effective use of Title III funds or other "soft" money for the improvement of the quality of educational programs and of the long-term viability of institutions of higher education. The case study methods and sample of institutions are briefly described, followed by a brief history of the Title III program from the original legislation (The Higher Education Act of 1965) through the current reenactment (The Higher Education Act of 1980). Final sections provide a working formulation of institutional development as a process of positive change toward self-sufficiency (independence from the need for Title III support) in terms of three operational domains: fiscal, administrative, and program. An overview of the content and organization of the remainder of the report is also given.

A. The Nature of the Study

1. The Study Objectives and Purpose

This is a report of an intensive inquiry, employing case study methods, into factors affecting the current and prospective viability of a class of U.S. postsecondary institutions with limited resources traditionally serving significant numbers of students from low-income backgrounds. Viability, a term that will be used throughout this report, refers to the institution's capacity to provide an educational program of reasonable quality, to meet or adapt positively to challenges that might otherwise threaten its existence, and to direct and control deliberately its continued functioning. The institutions that were studied constitute a sample of those with substantial funding under Title III of the Higher Education Act of 1965 (and subsequent reenactments and amendments) over the period 1976-77 through 1981-82.

Though the institutions of interest had (and in some instances, continue to have) significant support through Title III, our concern was not with an evaluation *per se* of the impact of this Federal investment. Rather, we were concerned with learning how such institutions, with their unique challenges from modest means and service to their particular clienteles, best use temporary or "soft" money developmental support to improve the quality of their programs and their future fiscal viability. Thus, particular effort was directed toward identifying and extrapolating successful developmental enterprise at two levels: first, at the level of the institution as a whole; and second, at the level of the particular discrete developmental activities, in which Title III or other "soft" funds were invested.

While the institutions studied intensively were random samples of subsets of public and of private Title III grantees in 1981-82, the developmental activities themselves were selected from those that were believed, by the institutions' presidents and their chief administrative officers, to have had significant impact on the future security and viability of the institution. It was felt that such activities might provide, in effect, a window through which some vital aspects of the institution's overall developmental enterprise might be viewed.

In short, the inquiry *attempts to discover what specially supported developmental activity may contribute to the improvement and self-sufficiency (independence from continuing Title III support) of higher education institutions with limited current resources, how it contributes, and what institutional practices in general are associated with improvement of condition in regard to quality of program and prospects for survival*.

This general purpose was amplified into more specific objectives:

(1) To determine the general factors associated with the direction of overall development (growth; stability; and decline or stagnation) for institutions receiving substantial support from Title III.

(2) To identify developmental activities that seemed to be serving their functions well, in terms both of Federal intent and institutional needs and purpose, and to determine the salient factors associated with such specific successful investment.

(3) To ascertain the types of impacts and consequences that developmental activities might have on institutional condition, and to

identify the factors associated with positive impact and consequences.

(4) To extrapolate and postulate the general nature of institutional development, as the success experiences observed might suggest.

In pursuing these objectives, the essential strategy was to explore excellence and meaningfulness at the institutional and activity levels, mainly as perceived and reported by institution personnel themselves. The purpose was to learn as much as possible about success by recognizing it where it existed, and by attempting to understand it in terms of an array of associated factors. A corollary strategy, therefore, was to explore contrasts in practice that would illuminate development purposes, processes, and outcomes. Such contrasts were possible because a significant range in the quality of development procedures and impacts was found across the sample of institutions and developmental activities studied intensively.

The particular design and research strategies do not permit any overall evaluation of the Title III program, in terms of the quality of its management or of its impact on institutions. That was not the purpose of the research. Similarly, the study does not permit generalizations, regarding the development process or effective use of external funds, to institutions broadly or to all institutions undertaking the same sorts of developmental activities. Instead, the work proceeded under the assumptions that (1) the Congress, in the 1980 enactment of the Higher Education Act, indicated continuing and substantive interest in developmental support of certain institutions of higher education; (2) there have been exemplary uses made of Title III and other external or temporary funds by institutions eligible for Title III support; (3) a review of events at a sample of institutions would suffice for arriving at useful insights into the development process and the generation of hypotheses; and (4) attention to factors associated with succesful application of Title III funds would be instructive for Program and institutional managers.

It was and is believed that the particular research strategy employed, involving an exploration of what factors of all kinds are associated with institutional development, should be particularly useful to institutional and program managers in improving the impact of developmental investment. Important products of the study are, in addition to this detailed report, a special report to institutional presidents, and a special report to Title III program

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management, each focusing on implications of the findings for improvement of impact of developmental activity from those vantage points.

2. Study Sample and Procedures

The research procedures employed are presented in some detail in Appendix A. In brief, case studies were undertaken in fifty-one institutions that had received an average annual Title III grant of $200,000 or more in at least four of the five years preceding the 1981-82 academic year, and in 1981-82. Site visits averaging two days' duration were made between July 1982 and April 1983 by teams of three specialists (in higher education administration and management, in fiscal affairs, and in evaluation of academic programs) drawn from a pool of 27 RTI professional staff and consultants, using semi-structured interview guides and a structured reporting format. Interviews generally included the presidents and other chief administrative officers, the Title III coordinator, developmental activity directors, and selected faculty, other administrative staff, and students; the numbers of individuals contacted at each institution generally ranged from 15 to 30, depending on the size and complexity of the campus. Extensive recourse to a variety of material, some assembled prior to the visits and some during, was also made: this included data on revenue and expenditures from the fiscal years ending in 1976 through 1981, enrollment, and faculty counts as assembled for the annual Higher Education General Information Surveys (HEGIS) of the National Center for Education Statistics; student aid dollars received over that period; formal audit reports; catalogs; self-studies and accrediting commission reports; presidents' annual reports; Title III awards, 1978-1982, and selected portions of the institutions' Title III proposals and/or operating statements; and internal and external evaluation reports on developmental programs and activity. The observations and findings presented herein draw essentially from intensive review of these materials and the site visitor reports by the three authors, each of whom was frequently a member of the visiting teams.

B. Brief History of Title III

1. The Origin and Nature of the Basic Legislation

The basic Federal program of direct support to institutions of higher education was created by Title III of the Higher Education Act of 1965 (Public Law 89-329, enacted November 8, 1965), with that portion of the Act entitled "Strengthening Developing Institutions." The Act was a reflection of

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President Johnson's Great Society program and was perceived by its advocates as following the tradition of the Morrill Acts of 1862 and 1890, the Higher Education Facilities Act of 1963, and Federal support to colleges and universities for research. Its purpose recognized the many institutions that have "the desire and potential to make a substantial contribution to the higher education resources of our nation but which for financial and other reasons are struggling for survival and isolated from the main currents of academic life." Though conceived and applied then principally as a mechanism for providing support to the nation's tradiionally black institutions, at that time the primary higher education vehicle for black students, no reference to minority status of students or institutions was made. Eligible institutions were postsecondary institutions (admitting only persons who were high school graduates or equivalent) with programs legally authorized by the host state and accredited by a nationally recognized (regional) accrediting agency at least five years prior to application, that were "struggling for survival" and "isolated," and that were "making a reasonable effort to improve the quality of (their) teaching and administrative staffs and of (their) student services." Seminaries were excluded; and the legislation required that at least 78 percent of the sums appropriated be awarded to baccalaureate degree-granting institutions, thus setting a ceiling of 22 percent for 2-year colleges.

The initial legislation also espoused a particular development strategy, in that two kinds of grants were authorized. The first was for cooperative agreements and activities among developing institutions, or between developing institutions and "other colleges and universities" or organizations, agencies, and business entities. These "Cooperative Agreements" could involve student and faculty exchanges, faculty and administrative improvement programs (including graduate training, internships, and research), new curriculum and curricular materials, cooperative education programs, joint use of facilities, and "other arrangements which offer promise of strengthening the academic programs and the administration of developing institutions." A second kind of grant provided for "National Teaching Fellowships" to encourage "highly qualified graduate students and junior members of (college and university faculties) to teach at developing institutions."

In the initial year, with authorization of $55,000,000 and appropriation of $5,000,000, awards were made to 127 institutions, from some 310 proposals involving 685 colleges and universities, with requests totaling approximately

$32,250,000. Also, funds were provided for the appointment, through the institutions, of 263 National Teaching Fellows.

A third kind of grant, introduced in 1968, was the "Professor Emeriti" Program, which provided funds for subsidizing the salaries of experienced retired professors from "developed" institutions. The first awards covered 56 positions in the 1970-71 academic year.

The subsequent history of the program, probably one of the most interesting in Federal annals in terms of interaction of political interests and management challenges and response, is rich and complex; highlights of only three kinds will be provided. These are: the year-by-year funding history; the significant challenges made as the program continued; and, the (usually consequent) structural changes believed to be of major import.

2. The Funding History of Title III

Table I.1 presents a summary of the funding history from 1966 to the present.

Table I.1

Title III Funding History

Year	Authorization	Appropriation
1966	$ 55,000,000	$ 5,000,000
1967	30,000,000	30,000,000
1968	55,000,000	30,000,000
1969	35,000,000	30,000,000
1970	70,000,000	30,000,000
1971	91,000,000	33,850,000
1972	91,000,000	51,850,000
1973	120,000,000	87,350,000
1974	120,000,000	99,992,000
1975	120,000,000	110,000,000
1976	120,000,000	110,000,000
1977	120,000,000	110,000,000
1978	120,000,000	120,000,000
1979	120,000,000	120,000,000
1980	120,000,000	110,000,000
1981	120,000,000	120,000,000
1982	200,000,000*	124,416,000
1983	220,000,000*	129,600,000**
1984	245,000,000*	
1985	270,000,000*	

* Authorizations established by the Higher Education Act of 1980 (P.L. 96-374).

**This amount does not include an additional $5 million added after the initial appropriation for FY82 slate initiatives, and another $5 million provided by the Supplementary Appropriations Act of 1982.

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Thus, the program has experienced a rather remarkable growth, and has not been affected by the budget cuts that have marked some other Federal education programs. The House of Representatives has (in September 1983) forwarded to the White House a bill for the appropriation through Title III of $134.4 million for fiscal 1984.

As the appropriations have increased, so have the number of institutions affected and the size of the individual grants. This has engendered greater interest among constituents and their congressional representatives, making the congressional hearings preceding legislative amendments lively affairs--and no doubt, has had a continuing mushrooming effect on the appropriations themselves. The management challenges have also grown remarkably, principally as a function of the increasing volume and complexity of funded activity and range of institutions served, but also as a function of the political importance and the special interest groups concerned with their own class of institution. Currently (1983), the Department of Education team consists of a responsible Deputy Assistant Secretary (reporting to the Assistant Secretary for Postsecondary Education); a Director of the Division of Institutional Development with two staff assistants; a Program Development Branch of that Division including a Policy Planning Section, an Evaluation Section, and a Data Acquisition and Analysis Section, together containing some seven professional staff persons; and, a Program Operations Branch containing some 19 staff persons, divided into sections responsible respectively for the Northern, Middle, and Southern sectors of the U.S., and with each section responsible for oversight of approximately 175 grantees.

3. Significant Challenges to the Program

The program has always had a remarkable susceptibility to challenges by individually vested interests of one kind or another. These have involved individuals, associations, formal adversarial reviews, Congressional inquiries, and involvement of individual Congressmen on behalf of a constituent institution.

At the individual level, the first known challenge was a scathing report contained in a manuscript dated September 1966 which, though never published, either set or presaged a tone to be oft repeated in the following years. Entitled "Report on Title III of the Higher Education Act of 1965" and written by a recruiter of black students and member of the faculty of the University of Mississippi Law School, its tone is summarized by the excerpt below:

> ...I believe that the high dreams which accompanied the passage of Title III--that the predominantly Negro colleges could be dramatically upgraded in quality--is rapidly being eroded by a stultifying pedestrianism on the part of the Title III office. The manner in which the program has been operated has if anything financed the continuation of the worst aspects of the schools it supports while at the same time drying much creative private support which would exist but for the presence of Title III monies.

This statement went on to charge bias and inadequacy in the proposal review and award process, politicalization of the advisory council established by the legislation, dilution of the funds by spreading them too thin, failure to recognize such needs as basic skills training or fit of funded activity into a long range plan, too much control by presidents and institutions that were the cause of the problems, and the "fast creation" of dependencies on Federal support for operation or maintenance of the status quo. Yet, on the Washington front, the initial appropriation of $5 million was increased by a factor of six the following year (fiscal 1967).

Other advisers and critics followed. There were two major critical reports based on brief investigation by the General Accounting Office, Controller General of the United States, in response to Congressional requests for appraisal. The first report, released in 1975, found many instances of problems in the proper interpretation and management of the Program; the second, released in 1979, and titled "The Federal Program to Strengthen Developing Institutions of Higher Education Lacks Direction", concluded that little or no progress had been in the four years following the release of the earlier report. The second report was followed by the establishment of a special subcommittee of the Committee on the Judiciary of the U.S. Senate, which conducted formal hearings on November 14 and December 12, 1979. In these hearings, a number of Title III Program managers and overseers were directly challenged on the integrity of the application review, award, and monitoring process. Substantial managerial reorganization followed.

4. Progressive Structural Changes in the Program

Many significant and positive management events have molded the program and contributed to its present form. These include (1) the separation of the program, in the early 1970's, into basic and advanced components, and the reversion to a single program through regulations published in November 1978; (2) modifications in content and emphases, including the dropping of the

National Teaching Fellowships and enlarged emphasis on student services; (3) the move to emphasis on individual institution activity as opposed to the original consortium and "big-brother" strategies, and the virtual abandonment of the consortium; (4) the move toward and later away from emphasis on outside agencies and consultants providing assistance under the grant; (5) the definition, refinement, and objectification of the eligibility criteria; (6) the addition of special emphasis on activities that might improve administrative and management effectiveness; and (7) renewed and vigorous emphasis on self-sufficiency (outside of Federal support) as a necessary outcome. Each of these will be discussed briefly, in terms of precipitating situation and outcome.

Early experience with the applications for assistance and the Program operation under the awards revealed that while some institutions presented reasonable and orderly developmental options, others seemed to flounder considerably in deciding or knowing where to start. In 1972, the Program was divided into two components: the Basic Institutional Development Program (BIDP), which focused on developmental planning through (renewable) one-year awards, and the prioritizing of particular needs; and, the Advanced Institutional Development Program (AIDP), focusing on development through special multi-year exploratory activities enroute to a permanent place in the institution's ongoing operation. The AIDP awards were directed, at least in theory, to the stronger institutions deemed capable of achieving self-sufficiency through developmental activities supported by a large, single grant; grants were technically non-renewable. Planning, Management, and Evaluation (PME) activity was also required, as were certain management reports (involving formal PEMs or Performance Evaluation Methods, and showing attainment of milestones and objectives); consortium memberships were also required. Although BIDP made smaller one-year renewable awards to institutions judged weaker, planning activities were a frequent early requirement there as well, and many of the activities were virtually indistinguishable in content from the activities funded under AIDP. This division into AIDP and BIDP was abandoned after 1978, principally (we believe) because of the political problems associated with the status hierarchy that some institutions found invidious, but also because of some management problems in the separation of program staff for assignment to the two different responsibilities.

The Title III program had, in effect, become two programs; the basic legislation had provided for a single program. And, the AIDP concept of a long-term but non-renewable award became politically indefensible as some AIDP institutions received their second or third "non-renewable" awards.

With increasing demands for special remedial treatment beyond those that the Special Services Program with its attendant restrictions could serve, and with many of the Title III institutions feeling a need to invest more concerted effort in student services like counseling, tutoring, and study skills assistance, special emphasis on this area as a developmental activity began to emerge in the early 1970's, following vigorous lobbying by institutional representatives working in this area. At the same time, the teaching fellowships portions fell into some decline, principally from the fact that they seemed to serve as temporary, stop-gap measures.

The original big-brother approach emphasizing bilateral arrangements with one or more strong institutions declined continuously over the years until its virtual abolishment, along with special-purpose consortia or groups of similar institutions sharing resources, in FY 1981, probably because the more effective developmental work was that done at home by those who would have to live with their accomplishments and failures, and the lower degree of real involvement at the institutional level if the participant was a provider rather than a consumer. Also, sharing of resources was not always found to be an easy activity to carry off, given the diverse institutional politics of the sharing campuses involved in the consortia: the drive was to have and control, not to borrow (although there were some remarkable successes in sharing needed resources).

The original act permitted private firms to serve as bilateral partners or consortium members; as allocations and involved institutions increased, a number of specialized assisting agencies sprang up or developed to help the institutions with proposals and developmental activities. This particular big-brother strategy had the appeal of highly specialized assistance that hard pressed Program staff could not provide, but it also appeared to lead in some instances to abuses, or to significant portions of the institutional grants supporting activity and overhead of the several private groups that had developed extensive account portfolios with Title III support. The GAO reports and Senate hearings noted the abuses, and the emphasis on assisting agencies began to wane at the turn of the current decade (the $10,000,000 dip in FY 80

allocation was specifically tied to this reduction, although the almost-complete deemphasis on assisting agencies did not occur until FY81).

Perhaps one of the more critical elements in the development of the Program came as a result of attempts to define appropriateness of the institution for support in terms more workable than "isolation from the mainstream," or than by trying to define a "developing institution." The early 1970s saw some attempts to make the criteria move objective, involving attention to such matters as library holdings or the proportion of faculty without terminal degrees; this still left eligibility a matter of some subjective merging of such factors. Following vigorous internal consideration, the Program introduced, in 1978, an eligibility formula tied to a concept of level of institutional need (based on comparative per student Educational and General Expenditures) and level of service to low-income students (based on Federal aid received by the students). More will be said later about the specifics of this important change that served to provide objectivity to the eligibility determination, but the change provided an orderly and less controversial set of standards than those of the subjective and discretionary processes previously employed.

The GAO reports mentioned earlier took critical note of the fact that although the purpose of Title III involved weaning institutions from the need for Federal support, many institutions had continued in the Title III program virtually from the beginning. As experience with the Program accumulated, and as a major feature of the AIDP thrusts, there was a decided move to stress institutional management development activities, with considerable popularity of grants for the development of Planning, Management, and Evaluation Systems, and associated fiscal and student data Management Information Systems--an emphasis still preserved. This probably signaled an increasing awareness of the importance of good management at the institutional level, and the recognition that many of the institutions traditionally supported were indeed suffering from primitive accounting procedures and delayed management information reports.

The final move was one signaled by both GAO reports: that the Program was not intended to be a Federal subsidy for operational support, but a matter of providing boot-strap assistance toward later self-sufficiency and independence from Federal support. This emphasis was made explicit in the 1980 legislative enactment, and put firmly into place by the Department of Education

under the new Administration when the 1980 legislation became effective in controlling the awards for FY 1982 and subsequent years.[1] We now turn to a specific examination of the Congressional intent of Title III as defined in particular by the current legislation.

C. Definition of Institutional Development in Terms of Title III Intent as Expressed Through the 1980 Legislation

The Title III program management study by RTI preceding the inquiry reported herein had as one of its major purposes the clarification and precise specification of the intent of Title III, as defined by the statutes, the successive regulations, and by practice (e.g., as manifest by eligibility formulas, specifications of unallowable costs, and other aspects of standard operating procedure). In 1980-81, the Title III program appeared, from these perspectives, to have the essential objectives presented schematically as desired outcomes in Figure I.1.

The ultimate objective of the Title III Program was stated as the maintenance and enhancement of higher educational opportunity for low-income (and minority) students. In the logic of Title III, this involved maintaining or increasing the numbers of low-income students receiving higher education, and improving the quality of the education programs provided. That, in turn, was to be accomplished by providing fiscal support through Title III to colleges and universities traditionally serving such students, to enable the institutions to survive and to improve the quality of their offerings and services. (Title IV, having to do with Federal student assistance programs, is also concerned with the enhancement of educational opportunity for low-income students.)

The Congress, in enacting the 1980 legislation that became effective for awards made in and after fiscal 1982, provided some clarification and, in

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1 The developmental activities studied intensively in the current research were all funded under the legislation and accompanying regulations effective prior to 1982 when the 1980 legislation became effective. Some activities involved are no longer allowable under the new 1980 legislation, and all reflect earlier philosophies than those stressed in the currently applicable legislation and regulations. Because the current policy and practices provide the context in which any findings from this study must be applied, specific attention to the new legislation and regulations was given in the conceptualization of our approach, as outlined in detail in the introductory section of Chapter III.

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OUTCOMES

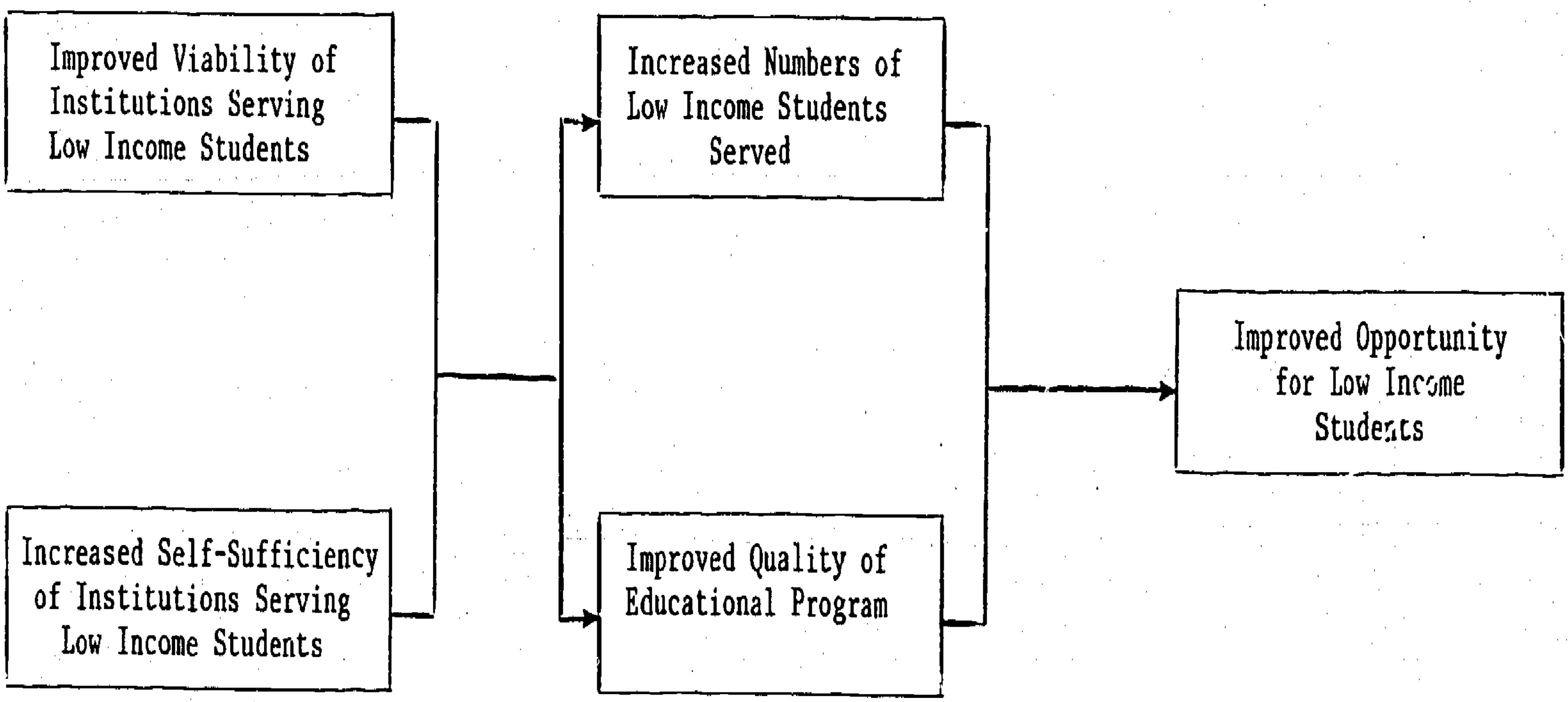

Figure I.1. Interpretation of Outcome Objectives of the Title III Program in Fiscal Years 1980 and 1981.

SOURCE: Davis, J. A., & Ironside, R. A. An Evaluability Assessment of the Strengthening Developing Institutions Program. Research Triangle Park, NC: Research Triangle Institute, September 1981.

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effect, challenged sharply the notion of continuing indefinitely a subsidy kind of support for institutions that remained, after a "reasonable" period, in continuing need. The stated purpose for Part A, the "Strengthening Institutions Program," is [Public Law 96-374, Section 311(a)(94STAT.1391)]:

> ...to improve the academic quality, institutional management, and fiscal stability of eligible institutions, in order to increase their self-sufficiency and strengthen their capacity to make a substantial contribution to the higher education resources of the Nation.

and, for Part B, the "Special Needs" Program [Public Law 96-374, Section 321(a)(94STAT.1393)],

> ...to provide for a program of short-term federal assistance to strengthen the planning, management, and fiscal capabilities of institutions with special needs.

Further, Parts A and B prescribe identical vehicles (or "activities") that may be funded toward the accomplishment of these purposes. They are [Public Law 96-374, Sections 311(b) and 321(b)]:

(1) faculty development;

(2) funds and administrative management;

(3) development and improvement of academic programs;

(4) acquisition of equipment for use in strengthening funds management and academic programs;

(5) joint use of facilities such as libraries and laboratories; and

(6) student services.

(Part C of the legislation provides, in effect, a matching incentive for institutions eligible under Parts A or B, and thus in terms of objectives and vehicles is an extension of these parts.)

The notion of seeing such money support the development of both higher quality programs and of <u>capabilities that would ultimately permit the institution to survive without Federal support</u>, as opposed to continuing Federal subsidy or support, has, in effect, always been an intrinsic part of the intent. The proposition of developing capability to survive is more palatable than simple support that would maintain dependence. Yet, over the years from 1966 to 1982, many institutions received continuing funding, and Title III Program staff at least privately cited concerns that without continuing

support some of the institutions would not survive, or would suffer serious deterioration of quality of educational program and services.

Some important aspects of the 1980 statute, and the related regulations (Federal Register, Vol. 47, No. 2, January 5, 1982, pp. 540-557), however, show clearly the intent of the Congress with regard to the attainment of institutional self-sufficiency, or independence from Federal support. The principal provision is a mechanism that more sharply restricts the period of Federal support under parts of the Act; another is a requirement for a long-range plan to be submitted with the application. In the General Provisions section, the Act states in part [Public Law 96-374, Section 341(b)(94STAT.1397)]:

An institution, in its application for a grant, shall--

(1) set forth, or describe how it will develop, a comprehensive development plan to strengthen the institution's academic quality and institutional management, <u>and otherwise provide for institutional self-sufficiency and growth</u> (including measurable objectives for the institution and the Secretary to use in monitoring the effectiveness of activities under this title). (Emphasis not in original)

(2) ...ensure that Federal funds made available under this title for any fiscal year will be used to supplement and, to the extent practical, increase the funds that would otherwise be made available for the purposes of Section 311(b) or 321(b), and in no case supplant those funds.

In addition, although institutions with a 1- to 3-year grant under Part A may apply for subsequent 1- to 3-year grants, those receiving a grant of from 4 to 7 years are not eligible for further assistance. The maximum duration of grants to an institution under Part B is 5 years.

<u>Thus, the instrumental objectives and strategy of the current Program may be stated as the provision of temporary fiscal support to institutions with limited resources serving low-income and minority students, for activities that may or will permit those institutions to develop an academic program of reasonable quality and to develop the means to support it and the other components of the institution without continuing direct Federal assistance</u>.

In the beginning of Title III, the term "developing institution" was regarded generally as a euphemism for "historically black institution." But it would now seem that institutional development in a literal sense is the name of the game. We now turn to the working formulation of institutional

development that guided the conceptualization of the current inquiry into the "anatomy of development."

D. The Nature of Institutional Development

1. Development as a Process of Change

Institutional development may be defined as the ongoing process of progressive, positive change, as institutions respond to changing conditions of all sorts in their environments and thus change their own condition. An institution may continue to develop as long as it is in existence; or it may remain in a status quo, or it may decline. The same holds true, of course, for any component part of an institution, although at any point in time the institution is the sum of its constituent parts.

In the long term, institutions of higher education have undergone major structural and program changes from the point of founding to the present time. This has not only involved changes in subject matter prompted by advances in knowledge and the technologies in general, but also a broader sort of evolution in terms of mission and function: many present-day colleges and universities have far outstripped their initial or intermediate status, since they began their careers many years ago as junior colleges, secondary academies, normal or technical institutes, elementary schools, or highly specialized training centers for teachers or ministers. Similarly, some present-day community or technical colleges began as secondary institutes or as single-purpose schools. Such changes typically represent a series of forward, upward steps toward a larger or more important place in American higher education, although the idea or expectation of dramatic stepwise revisions in structure and program has seldom been a part of the founding purpose. Moreover, such changes typically require a good span of time in which to germinate and emerge, and often involve controversy among various internal and external forces as result from a "natural" or logical flow of events. But these evolutions have occurred. They are a part of the history of many of our institutions and in themselves describe development in the broadest sense.

Within the context of such long-term change, <u>current</u> or <u>short-term</u> change takes place. Here we have reference to signficant additions to or deletions from the program of offerings; reorganization of the administrative structure; creation of fiscal or information systems; and various forms of "outreach" by which the institution extends its services to new locations or new populations.

These changes are perceived to be quite different qualitatively from the major evolutions referred to above--at least in retrospect--since those are defined as very broad in scope and represent major revisions in structure, possibly size, and certainly institutional mission.

The more short-term aspects of development, which are the subject of this special report, differ in the sense that they are easier to "see" and control, and generally represent the results of some level of conscious planning. It is here that we define development in terms of "response to changing conditions of all sorts," though clearly the resulting changes decided on by a college or university can as often be reactive as proactive.

The significance of all this is that many institutions have experienced special pressures or circumstances over the past 10 to 20 years that have threatened their survival. Declines in the student-age population, various legal requirements, a societal change in the valuing of liberal education, lower apparent levels of readiness for college study, the emergence of new specialized careers and professions, the expansion of the community college, increase in the numbers who prefer to commute, new opportunities for minorities, inflationary pressures--all these and more have affected enrollment, retention, fiscal condition, faculty quality and morale, and even the colleges' place in the sun (that is, their special reason for being). Some institutions have closed as a result of not being prepared or able to meet such challenges; others have merged with or been absorbed by larger or more "successful" institutions.

Yet some institutions have continued to grow in size, quality of program, and fiscal vitality; others threatened with continuing decline have accomplished notable reversals in their attractiveness to students, their enrollments, their program of offerings, their fiscal viability, their attractiveness to alumni and other donors and thus their endowments. How? They have made changes. In responding to the general situation in the nation as well as to their own unique circumstances, they have engaged in "development" as defined, and they have done so both reactively and proactively. Put another way, they have taken a measure of control over their situations and intervened in their own long-term evolutionary development by deliberately altering a number of current, short-term aspects of their total institutional operation.

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2. Development as a Set of Interacting Forces

Clearly, institutional development cannot be the result of a single event or a single decision. Many forces and factors are involved in "ordinary" current operations; it seems reasonable to assume that the same would be true in making progressive changes in any or all aspects of current operations. In order to get a handle on such interacting forces and set the stage for discussing various ways of attacking development needs, a simple model is proposed here: institutional development has to do with the progressive structure, functioning, and consequent condition of the institution, as it may evolve over time.

Applied to an institution in existence, structure includes physical facilities and human resources, educational program, administrative and management structure--in short, what the institution has to work with (or to use in generating support revenue). Functioning has to do with how the structure is applied to the particular educational mission of the institution (or to other missions it may serve), and includes such processes as resource allocation, exercise of policy and traditions, service delivery, decision processes, and the like. Condition, which at any point in time is a cross-section view of the stage of development, involves the degree to which structure and functioning interact in different ways that sustain and enhance the institution, and may be reflected through such constructs as quality of program or impact on students and community or nation, or through such indices as those for fiscal assets or current risk position. Finally, development, expressed as successive changes in condition, may be understood through examining how structure and functioning have contributed to those changes. Change is an instrumental criterion toward enhanced viability as the ultimate criterion.

For current purposes of understanding how particular developmental efforts impact on an institution and its condition at any point, it would be useful to distinguish three kinds of developmental activity, each of which can be postulated to have a unique and necessary role to play in an effectively developing institution, although not necessarily occurring at the same time nor directed to the same institutional purposes. These are (1) educational and student support service program development activities, or those concerned directly with improving the educational program, its quality, and its impact on students; (2) administrative and management development activities, or those concerned with improving the functioning of the institution as a whole through

improved general management practices; and (3) fiscal development activities, concerned directly with improving revenue, the allocation of fiscal resources, and control of the mix of factors that interact to determine overall fiscal condition and propsect.

Further, these three components or domains interact in various important ways, regardless of the particular "stage" each happens to be at at a particular time, and in sum they define institutional functioning in the most basic sense. Thus they are also necessarily involved and synergetic in institutional development (which implies improvement or enhancement). Developmental activities in the program area involve the creation of new student support or educational programs and/or the creation of (improved) capability to deliver these programs and services. Developmental activities in the management area involve the improvement of the process by which decisions among program development priorities and investment of funds and resources are made, their operation monitored and facilitated, their impact and consequences evaluated, and all or part of their outcomes are incorporated into the institutional structure. Developmental activities in the fiscal area involve, at least, improvement in the continuing assessment and elaboration of the institutional condition, or the search for new sources and amounts of fiscal support (e.g., a program designed to attract new funds).

E. Overview and Organization of This Report

This report is divided into five major parts. Part One, which includes this introductory chapter and Chapter II following, provides a description of the purposes and scope of the study and a brief description of the institutional sample.

Part Two is concerned with what we believe are the major lessons learned about institutional development as a wholistic, organic process. Chapter III describes how we distinguished, in a criterion sense, the institutions in the case study sample that were believed to be positively viable in a developmental sense, from those that were "vulnerable," or facing grave survival risks without significant progress. Chapter IV presents in particular the process characteristics (the independent variables) that appear to explain positive development, with some contrasts of how similar factors appear to operate at the institutions believed to be vulnerable.

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Title III operates, in effect, through one or (usually) more discrete funded activities. In Part Three, the focus is on specific activities carried out for developmental purpose. Chapter V provides a structure for defining and viewing developmental activities as a unit of analysis; Chapter VI postulates the variety of ways we feel activities may contribute to the broader institutional viability insofar as Title III intent is concerned. Chapter VII reports the findings with regard to intrinsic and extrinsic (i.e., in relation to institutional contexts and processes) factors that are associated with successful developmental activities deemed to meet the criteria of effectiveness.

Part Four is, in general, an attempt to put all the essential pieces together--to examine how the three activity domains (fiscal, management, program) interact, with special attention to implications for Title III (Chapter VIII); to examine a number of special issues (e.g., differences in the basic proposition for public vs. private, two- vs. four-year, traditionally black institutions, stages of readiness, and particular implications for Title III) (Chapter IX); and to draw from the findings a model or functional blueprint for development (Chapter X).

The final section (Part Five) presents, as Chapter XI, an executive summary of the findings and implications.

Appendices include:

A--A brief description of study methodology and procedures.

B--The executive summary of the preceding management study on which the current inquiry is partially based.

C--Current Title III legislation and regulations.

D--Copies or summaries of instrumentation used in this study.

Chapter II

Description of the Samples of Institutions and Developmental Activities

The institutions and developmental activities were selected in ways that would support the stated purposes and research strategies employed, but which limit applications and generalizations for other purposes. This chapter describes the sampling procedures for institutions and for developmental Activities, and provides descriptive data characterizing the institutions involved as well as the total group of institutions with prime Title III grants in FY82. These background statistical data should be helpful to the reader in illuminating the particular segment of American higher education on which findings presented later are based.

A. Characteristics of the Sample Institutions

1. Some Implications of the Sampling Procedures

The sampling procedures were basically purposive; as explained in the technical appendix concerned with procedures (Appendix A), the effort was directed at selecting institutions where Title III effects, if any, should be visible because of significant dollar amounts of support over the past five or six years. One cannot under these circumstances safely generalize any findings to the populations of all funded institutions in 1981-82, and certainly not to all eligible institutions nor to higher education institutions in general. The selected institutions were random samples of the 158 public and private institutions that have been the larger and continuing winners in the Title III competitions; there is a possibility that such a group could represent institutions struggling for an undue length of time to establish self-sufficiency, institutions apparently making efficient use of funds toward achieving self-sufficiency, or both (that both are represented tends to be confirmed by the findings). In any case, the findings concerned with the sample employed in this study cannot be safely generalized except to the portion of the larger population grossly characterized by (1) eligibility, in 1981 or earlier for Title III support, and (2) that had had 5 or 6 years of continuing support averaging $200,000 per year or more.

Characteristics of the institutions in the sample should be noted carefully, as a guide to alternative hypotheses and explanations of any findings with regard to understanding institutional development in the particular

contexts these schools provide. This section is concerned with such a description, and provides comparisons with the larger population of 537 institutions that were funded under Title III for the 1981-82 academic year.

2. Comparison of the Sample with the Population of all Institutions with FY 81 Funding on Basic Institutional Descriptors and Title III Funding History

Tables II-1 through II-5 provide a contrast of institutions in the population and the sample in terms of type (control and program), ethnicity, enrollment, age, number of years funded over the 6-year period from 1976-1981, prior AIDP/BIDP experience, and status on the several Title III eligibility index components.

The most striking difference is that, while only 15 percent of all institutions with Title III programs in 1981-82 were traditionally black, a little over half of the sample (representing those more substantially funded in terms of dollars and period of time) were traditionally black. The sample also has a larger proportion of private institutions (61 percent) than the population (51 percent); a larger proportion of 4-year institutions (80 percent) than the population (68 percent); a larger proportion of private 4-year institutions (59 percent) than the population (48 percent); and a smaller proportion of public 2-year institutions (18 vs. 28 percent). It may be reasonably assumed that these differences tend to characterize the institutions more likely to have received substantial and continuing support over the 1976-81 period.

The Title III program made grants of two kinds over the period from 1973 to 1979: Basic Institutional Development Program (BIDP) Grants for institutions felt by Title III program staff to require a year or more of basic planning prior to major developmental investment, and Advanced Institutional Development Program (AIDP) grants for institutions believed to have good momentum on reasonable developmental strategies. Table II-4 contrasts the institutions in the population and sample in regard to AIDP or BIDP program history prior to 1980, when the AIDP/BIDP distinction was abandoned. The data principally reveal that the population has a substantially larger portion of schools not funded during the 1973-79 period, most of which (it may be assumed) were first funded under the later (single) Strengthening Developing Institutions Program (SDIP). The data also suggest that (as would be expected, given the average annual award criterion) the sample is more heavily weighted with

Table II.1

Type and Ethnicity of Institutions: Population Versus Study Sample

Classification	Population No.	Population %	Sample No.	Sample %
1. Type				
Public 2-year	153	29	9	17
Public 4-year	108	20	11	22
Private 2-year	17	3	1	2
Private 4-year	259	48	30	59
Total	537	(100)	51	(100)
All Public	261	49	20	39
All Private	276	51	31	61
Total	537	(100)	51	(100)
All 2-year	170	32	10	20
All 4-year	367	68	41	80
Total	537	(100)	51	(100)
2. Ethnicity				
Traditionally Black	80	15	27	53
Other	457	85	24	47
Total	537	(100)	51	(100)

Table II.2

Enrollment and Age (1976-81) of Institutions: Population vs. Study Sample

Characteristic	Population Max.	Population Median	Population Min.	Sample Max.	Sample Median	Sample Min.
1. 1980 enrollment (head count)						
Public 2-year	39,212	2,350	93	9,169	3,664	917
Public 4-year	18,067	3,155	766	8,064	3,924	1,076
Private 2-year	1,962	495	110	*	*	*
Private 4-year	29,835	1,002	22	3,169	976	475
Total group	39,212	1,520	22	9,169	1,520	475
2. Year founded						
Public 2-year	1801	1963	1975	1903	1964	1967
Public 4-year	1828	1900	1975	1837	1883	1956
Private 2-year	1849	1947	1975	*	*	*
Private 4-year	1794	1892	1980	1838	1881	1955
Total group	1794	1917	1980	1837	1888	1970

* Data omitted because only one institution falls in this category.

Table II.3

Percentages of Institutions Funded for Five or Six Years, FYs 1976-81, by Type: Population vs. Sample

Classification	Population 5-6 yrs.	Population <5 years	Sample 5-6 yrs.	Sample <5 years
Public 2-year	35	65	100	0
Public 4-year	55	45	100	0
Private 2-year	41	59	100	0
Private 4-year	46	54	100	0
Total group	45	55	100	0

Table II.4

Numbers and Proportions of Institutions with Prior History of AIDP and/or BIDP Funding: Population vs. Study Sample

Involvement in AIDP/BIDP (FY1973-79)*	Population		Sample	
	No.	%	No.	%
Involvement in AIDP/BIDP (FY 1973-79)*				
AIDP only	71	13	15	30
BIDP only	202	38	23	45
BIDP and AIDP	51	9	13	25
Neither (i.e., not funded, FY73-79)	213	40	0	0
Total	537	100	51	100

*Note: Proportions in both populations and sample for institution by type do not differ significantly from proportions shown for the total groups.

former AIDP than former BIDP institutions, if only those in the population that were funded during this period are used in the contrast.

To be eligible for support under Title III, an institution must accumulate a sufficient number of points on several eligibility indices to meet minima prescribed by the published application procedures for the particular year of application. The eligibility index values are particularly relevant in that the component parts express something of institutional resources (through the per-undergraduate full-time equivalent student Educational and General (E&G) expenditures), and family income levels of students served (through the per-student amounts of Pell awards, the per-student amounts of Pell plus other campus-based awards, or the proportions of undergraduates receiving either Pell alone or Pell plus Campus-Based Awards). Table II-5 provides the median values on these indices for the groups (by type) of institutions in the population and sample, with the individual institution values those drawn from the Department of Education records used to determine eligibility for the fiscal year 1982 competition. Thus, the data provided in Table II-5 are for per-student E&G expenditures for the fiscal year ending in 1980 with numbers of students based on fall enrollment in 1979; and, the

student aid award data are for the period from July 1, 1979 to June 30, 1980. It should be recognized, of course, that the institutions in the population and sample were judged eligible on earlier eligibility criteria (and indeed include some "grandfathered" institutions; not all were eligible under the later FY82 formulas). Nevertheless, it is believed that the values used have current descriptive value.

In general, the public 2-year and private 4-year sample institutions have higher per-student E&G expenditures than their counterparts in the population. The E&G expenditures for the public 4-year sample institutions are slightly lower than for their population counterparts. All sample groups show higher average student aid grants and proportions of students receiving Federal aid than the population counterparts.

Standings on the FY82 eligibility indices were computed for each institution in the sample. Median values by institutional category for the several components, with their associated point values, and the median value for the total point scores, are presented in Table II-6; the disposition of the sample institutions, by institutional category, against the FY1982 standards is shown in Table II-7. It is significant to note that for the 30 private 4-year institutions, only 15 are clearly eligible under the "new" Part A-Strengthening" program, and only one is clearly eligible under the "Part B-Special Needs" program. For the 11 public 4-year institutions, 9 are clearly eligible under Part A and none are clearly eligible under Part B; and, for the 9 public 2-year institutions, 5 are clearly eligible under Part A, and 4 are clearly eligible under Part B. However, almost all institutions exceed the minimum waiver threshhold; two of the nine 2-year public institutions, one of the 11 4-year public institutions, and four of the 30 4-year private institutions are clearly ineligible under the 1982 standards for Part A, while under Part B only two of the 30 private 4-year institutions are now clearly ineligible.[1]

B. Characteristics of the Sample of Institutions in Terms of Title III Support

Other institutional characteristics that may be particularly relevant descriptors for the institutions in the case sample, considering study purposes, are presented in Tables II-8 through II-10.

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1 Of the 51 institutions, 20 were not funded under Title III in FY82 for the 1982-83 academic year (when site visits were made) for a variety of reasons: ineligibility, application rejected, did not reapply.

Table II.5

Median Values for Eligibility Index Components for the Population vs. the Study Sample, by Institutional Type

Index	Population				Sample			
	2-year Public	4-year Public	2-year Private	4-year Private	2-year Public	4-year Public	2-year Private	4-year Private
Per student E&G	$3,068	$3,750	$4,000	$4,362	$4,226	$3,599	*	$4,759
Average amount, Pell Award	648	883	1,073	1,113	680	961	*	1,251
Average amount, Pell and Campus-Based Awards[1]	681	895	996	1,130	727	949	*	1,231
Proportion of U.G. students with Pell Grants	43%	50%	73%	52%	55%	71%	*	74%
Proportion of U.G. Students with Pell plus Campus-Based Awards[1]	26%	40%	52%	46%	26%	41%	*	57%

* Data omitted because only one institution falls in this category.

[1] It is reasonable to expect that the average amounts, and proportions, of students with Pell Grants plus other campus-based awards would be higher than the corresponding figures for Pell grants alone. That this is not necessarily the case apparently derives from assumptions made by ED in defining and computing the data. This is: without record on individual student overlap for the two categories of aid, averages and proportions for the "Pell plus campus-based" category are derived by assuming the number of undergraduate students receiving such awards is equal to the number receiving Pell Grants plus the number of undergraduates receiving other campus-based awards, divided by two. Incidentally, eligibility for Part A grants under the 1980 legislation uses Pell-grant-only data for the student need component of the eligibility formula, while Part B uses Pell Grant plus other campus-based awards; and, the E&G components vs. the student aid components are weighted somewhat differently in forming the composite eligibility index.

Table II.6

Median Values and Associated Eligibility Points,
for the Separate Components of the 1982 Eligibility Indices,
and Median Values for Total Eligibility Points
for Institutions in the Study Sample

		Part A								Part B							
Type	N	E&G	Pt. Equiv.	Pell Percent	Pt. Equiv.	Avg. Pell	Pt. Equiv.	Median Total Points, Sample	Eligibility Threshhold Minima	E&G	Pt. Equiv.	Pell + CB Percent	Pt. Equiv.	Avg. Pell + CB	Pt. Equiv.	Median Total Points, Sample	Eligibility Threshhold Minima
2-year public	9	$4,226	15	.5527	88	$ 680	66	155	148	$4,226	8	.2589	35	$ 727	36	79	90
4-year public	11	3,599	55	.7075	94	961	88	216	188	3,599	28	.4089	43	949	35	93	123
4-year private	30	4,759	42	.7442	94	1,251	89	196	194	4,759	21	.5652	45	1,231	40	101	128

Table II.7

Minimum Eligibility and Waiver Threshholds for FY 1982, and Numbers of Case Study Institutions Exceeding These Threshholds, by Institutional Type

Type	N	Part A					Part B					
		Eligibility Threshhold	Number At or Above Eligibility Threshhold	Waiver Threshhold	Addt'l. Number Eligible for Waiver	Data Missing	Eligibility Threshhold	Number At or Above Eligibility Threshhold	Waiver Threshhold	Addt'l. Number Eligible for Waiver	Data Missing	Eligible Both A&B
2-year public	9	148	5	99	2	1	90	4	45	5	0	3
4-year public	11	188	9	125	1	1	123	0	62	11	0	0
4-year private	30	194	15	129	11	0	128	1	64	27	0	0

These tables present various statistics reflecting the weight of Title III support for the sample institutions. Table II-8 reveals that in absolute dollar amounts, the average (median) annual grant for the public 4-year institution in the sample was highest, at $483,000, with private 4-year institutions as a group next at $408,000, and public 2-year institutions lowest at $281,000. The maxima and minima, however, suggest (1) greater variability in the private 4-year group, and (2) considerable overlap in the ranges by type.

The institutions vary in terms of size, revenue, and expenditures. More important than the absolute dollar amount of Title III funds is perhaps their relative significance for the institutions, in terms such as the proportion of total Educational and General expenditures or per-student shares of these expenditures that the Title III funds represent. Such data are presented in Tables II-9 and II-10.

Table II-9 provides an estimate, based in this instance on the HEGIS data for the fiscal year ending 1980, of the proportion of total E&G expenditures that year represented by the average annual Title III grant amount over the 1976-81 period. Within the 50 institutions represented in the table, the average Title III grant represented from about 2 to 21 percent of the total E and G expenditures. The private institutions are again the most variable, but also have, at 6.9 percent, the highest median proportional Title III revenue; public 4-year have the lowest median proportion, at 2.3 percent, with the public 2-year median at 4.8 percent.

Table II-10 presents an estimate, for the several groups of institutions, of the per-student share of the Title III grant, utilizing the 1979-80 academic year Title III revenue divided by the fall 1979 undergraduate FTE enrollment. The range is from $80 to $1,021 for the 50 institutions considered (the one private 2-year institution is excluded); median values for the groups by type are $145 per student for the 4-year public institutions, $276 for the 2-year public institutions, and $342 for the 4-year private institutions.

C. Characteristics of the Activities Selected for Study

Institutions in the sample were asked to nominate up to four developmental Activities in each domain (fiscal, administration, program) according to a definition and form provided to them. The plan was to select one Activity in each domain, or a total of three Activities per institution, from those nominated, for later intensive study during the site visits. The procedures

Table II.8

Distribution of Average Annual Dollar Amounts (1976-81) of Title III Grants for Sample Institutions, by Type (Values in Thousands of Dollars)

	Public 2-year	Public 4-year	Private 2-year	Private 4-year
Minimum	$213	$257	*	$200
Median	281	483	*	408
Maximum	406	578	*	780

* Data omitted because only one institution falls in this category.

Table II.9

Proportion of 1980 E&G Expenditures Represented by 1976-81 Average Annual Dollar Amounts of Title III Grants for Sample Institutions by Type

	Public 2-year	Public 4-year	Private 2-year	Private 4-year
Minimum	1.6%	2.0%	*	3.3%
Median	4.8%	2.3%	*	6.9%
Maximum	13.0%	9.7%	*	21.1%

* Data omitted because only one institution falls in this category.

Table II.10

Per FTE Undergradate Student Amount of Title III Revenue, Academic Year 1979-80, for Institutions in the Sample (by Type)

	2-year Public	4-year Public	2-year Private	4-year Private
Minimum	$ 80	$ 50	*	$ 125
Median	276	145	*	342
Maximum	423	389	*	1,021

* Data omitted because only one institution falls in this category.

employed for obtaining nominations and making selections are outlined in detail in Appendix A.

Several aspects of the definition and procedures are mentioned here, however, as background for the sample of Activities that were ultimately selected for onsite review. First, an Activity was conceived as a separate, nameable function or effort that had: a budget, a leader, a timetable, a set of objectives and strategies aimed toward development and/or improvement, a mode of documentation, some identifiable outcomes, and a period of operation within the prior 6 years (or continuing at the time of selection). Second, Activities were sought that institutional personnel themselves felt had accomplished something meaningful or significant in the development and/or fiscal viability of the institution. Third, Activities were not restricted to those funded by Title III in whole or in part, but included Activities considered developmental and that were supported by other kinds of "soft" money (e.g., foundation grants), or, in a few instances, regular institutional funds. Fourth, an effort was made to derive a variety of Activity "types" within each domain, sometimes resulting in selection of an option that may have been ranked less than first priority by the institution. In other words, we strove to avoid having 10-15 "basic skills" or "long-range planning" Activities, in the interests of obtaining a broader range of topics for review. Fifth, whatever the number of discrete Activities nominated, a negotiation process was employed in narrowing the number down to one per domain--but by virtue of the criteria described just above (definition and significance), some institutions had no fiscal Activities to nominate, some had combined fiscal-administrative selections that emphasized one or the other domain, and a few chose to name only program Activities. Substitutions, by domain, were inevitable. And sixth, a few Activities were nominated (and selected of necessity) that were more in their initial developmental stages than in a more completed stage where significance to institutional development or viability could be assessed.

As is apparent from the above, the selection of Activities was decidedly not random, among all nominations or within each domain. Moreover, given that institutions represented had received funds for from 5 to 15 or more developmental Activities within the period designated, the Activities selected for intensive study represent a small and biased sample of all developmental effort or all effort supported by Title III. It should also be noted that institutions package activities in different ways: what constitutes a single

Activity on one campus may be broken down into several discrete Activities on another. In general, we accepted the institutional definition of what configuration of components constituted a particular developmental Activity, which was usually in agreement with the definition provided in the Title III applications.

The attempt was made, as noted, to select successful Activities, with the requirement only to select one within each of three broad categories (fiscal, management, and program). This procedure excludes most Activities that the institutions believe have not met their promise, or that were not followed up after the developmental period with appropriate action; thus, the design employed cannot yield information, even within the group of institutions studied, on the number, nature, and cost of developmental failures. It should be noted as well that there are a number of different kinds of developmental Activity within each category. To answer such questions as the range of success within, say, PME-MIS Activities, or the comparative impact among several different extant approaches to improving basic skills, would also require a different design. As noted earlier, the study is not an assessment of the impact of Title III, nor of any particular type of developmental Activity represented in the program. Rather, it is an attempt to learn the developmental impact of what the institutions consider to be their best experiences within each category of Activity and to understand what factors accounted for this success.

Of a possible 153 Activities (one per domain per institution x 51 institutions), 150 were ultimately selected for review, as previously noted. Table II-11 provides a summary description of these Activities within each domain, along with an indication of past and/or present sources of direct financial support during the developmental period. The latter, of course, excludes in-kind or other gratuitous assistance (which in fact was frequently provided). It can be seen that Title III was a source of support for the vast majority (136 Activities), that institutions themselves reported some level of contribution (142 Activities), and that many Activities were also supported by foundations, businesses, government grants of various sorts, and other sources. Table II-11 also shows that 8 Activities were supported solely by Title III; 2 Activities solely by the institution; and 1 solely by an outside source.

The 150 Activities, although named in a wide variety of ways by the institutions, are categorized in Table II-9 in groupings that describe their

Table II.11
Activities Selected for Field Review, and Their Sources of Support

Nature of Activity	Total N Activities	Coll-ege	Title III	Foun-dations	Gov't. Research Grants	Community Services Agency	State Approp.	NIH	NEH	NSF	ED	Consor-tium	Private Business	CETA	Other	Other Only	Coll. Only	III Only
		Sources of Financial Support														Sole Sources		
FISCAL (total 39)*																		
Resource Enhancement	11	11	7	5					1								0	1
Fiscal Data Systems	22	22	21	4					1	1							1	
Planning, Mgmt. & Eval.	6	6	6	0					0	0							0	
ADMINISTRATIVE (total 48)																		
MIS	10	10	10															
PME/MIS	11	10	11	2								1						1
IR (Institutional Research)	11	10	10															
Long Range Planning	5	5	5	2														
Other Adminis. Development (training, developmt. office development, self-study, program evaluation, new unit development, recruiting, and administrative support)	11	10	10	1	1		1			1		1				1	1	2
PROGRAM (total 63)																		
Basic Skills	8	8	7				1								1			
LRC (Learning Resources)	3	3	3											1				
Upgrade Specific Curricula	12	12	10	3			1		1	1			4					
Develop New Programs	10	9	7	4				1					1	1				1
Instruc. Improvement	10	9	10	2					1									1
Support Services	16	14	16															2
Arrange Enhancements	4	3	3	1		1				1								
Totals:	150	142	136	24	1	1	3	1	4	4		2	5	2	1	1	2	8

basic purpose. Some 39 fiscal Activities were classified as "resource enhancement," fiscal data systems, and "Planning, Management, and Evaluation." Interestingly, in proportional terms for this sample, this was the domain most frequently assisted by foundations. The administration domain has a total of 48 Activities, classified as "MIS" or "PME-MIS," institutional research," "long-range planning," and a miscellaneous category. Certain Activities shared fiscal and administrative functions (as for example an MIS) but as field reports were studied it was possible to identify the chief focus and thus to classify one way or the other.

The remainder (63 Activities) are shown in the program domain, divided into 7 classes. The class with the greatest frequency (16 of 63) was "support services," which includes personal counseling, career centers, tutoring, comprehensive services, and the like.[2] Much attention was also given to academic supports such as basic skills and Learning Resource Centers (LRCs), a total of 11 Activities; as well as refinement or new development of academic courses, programs, or majors (a total of 22). "Instructional Improvement" refers to faculty development, creation of audio-visual or other media services, and other approaches to revised modes of instruction and presentation.

It should be stressed that the resulting samples of Activities not only reflect the biases built in as a function of the selection procedures, but also provide relatively few Activities in each of the finer classifications describing their nature and purpose. For example, only eight developmental Activities concerned with improving basic skills were selected; these could, of course, be further broken down in terms of particular basic skills addressed, procedures, etc. The point is that although these Activities may provide, in terms of study purposes, a window through which development may be viewed, they do not afford an adequate basis for describing the variety of approaches and strategies employed by Title III institutions under each classification, nor for generalizing about the effectiveness of Activities in the several classifications. Neither does the possible absence of a particular kind of developmental Activity mean that Activities of that kind were never effective.

[2] No consistent attempt was made to determine overlap with the Special Services or other Trio programs, principally because the Trio programs are restricted to service delivery to particular subgroups of students or prospective students, while the Title III programs are more broadly directed. In any event, no clear duplication of function was found, though such could exist.

We should note as well that the sources and basis for judging Activities as successful and nominating them varied from institution to institution. In some instances, the nominated Activities were the president's choices, in others those of his council, the Title III coordinator, or some other group or individual acting for the president (although in all cases, nominations were secured through the president or his designated representative, and selections were confirmed as satisfactory to the president). We also note that the institutions clearly had an easier time with, and made more frequent nominations of, Activities in the program domain (than in the fiscal or management domains). Once in the field, we found rather clearly that local evaluations of the selected activities sometimes varied from respondent to respondent. As will be apparent from the analyses reported in Chapter VII, the site visitors found some nominated Activities as less than successful, when examined against the criteria established for their assessment. These matters again stress the need for caution in generalizing, from the Activities nominated and selected, what kinds are really most effective. The value of the later examinations of the selected Activities resides in what they separately and collectively reveal about the broader dynamics of institutional development.

Part Two:

Characterization of Effectively Developing Institutions

Chapter III

Definitions of Effective Development at the Institutional Level

The 51 institutions selected for study were expected, on logical grounds, to represent a considerable variety of developmental statuses and of success in utilizing Title III or other external funds for developmental purposes. This chapter presents an account of how each institution as a whole was evaluated with respect to overall developmental status, providing a basis for extracting hypotheses about the underlying causes or associated factors by contrasting the more successful institutions with those less successful. Also presented are the characteristics of the resulting clusters of institutions, with clusters expressing the assessed status of institutional development.

A. The Basic Questions Posed by Title III About Institutional Development

Two analytic frames of reference were employed in the reported inquiry. The first involved examination of the institutions as a whole, which is the subject of Part Two. The second frame of reference was an examination of the selected developmental Activities in the larger context provided by the institutions, which is the subject of Part Three.

With regard to the developmental status of the institutions studied, and with concern for defining and understanding development in terms of the basic intent of Title III, the following two key questions may be asked:

1. What institutions serving significant proportions of low-income students have achieved a reasonable degree of fiscal self-sufficiency; are offering a program of reasonable quality (however such can be defined); and, appear to have secure futures within the non-Title III resources available to them?

2. What factors have contributed to their self-sufficiency and program quality, under what natural (environmental), inherent (activity specific), or contrived (management or strategy) circumstances?

This chapter is concerned with the first question of how effective development was defined in a context of Title III intent (as here interpreted). Chapter IV following is a presentation of our observations with regard to general institutional factors involved in in the second question. (A later chapter, Chapter VII, will address the question of how specific developmental activities appear to contribute to self-sufficiency.)

It should be noted in passing that service to low-income students was not a criterion component for classifying institutions; it was assumed that the institutions were reasonably consistent in this regard.

B. Classification of Institutions in Terms of Achievement of Title III Intent As to Effectiveness of Development

It will be recalled that all institutions in the case study sample had received substantial Title III support for a period of 5 or 6 years, including activity funded (in FY 1981 or earlier) for the 1981-82 academic year. These institutions constituted, nevertheless, a considerable variety on a number of indices or qualities relevant to institutional development, program content and quality, and attainment or progress toward self-sufficiency. As a preliminary step in analysis of what may contribute to development, institutional data were examined to provide a basis for classifying each as (1) "strong" (institutions in a secure current position, with a trend of consistent improvement over the past 5 years that seemed likely to continue in the future); (2) "stable" (institutions continuing from year to year in a consistent and reasonably secure condition); or (3) "vulnerable" (institutions in some degree of risk or distress).

This tripartite distinction was chosen as the basis for the key strategy in the search for factors that may have contributed to current developmental status. It was recognized that it is fairly easy to rationalize any set of factors as contributing in positive or in negative ways. We were concerned not only with whether certain logically positive factors were present for the strong institutions, but also with their absence for the vulnerable institutions. With institutions classified into the three categories, the search for factors contributing to current development status could focus on differences, including particular applications of Title III or other soft money, among the institutions clustered into the strong, stable, or vulnerable categories.

In keeping with the basic conceptualization of the institution as consisting of fiscal, management, and program domains, data and site visit reports on the 51 institutions were reviewed and rated independently by a fiscal specialist, a management specialist, and a program specialist on the quality of the institution's developmental status in his domain. The resulting ratings were used to assign institutions to the strong, stable, or vulnerable developmental categories.

The materials reviewed independently by the three analysts consisted of all site-visit reports--those covering the fiscal, management, and program domains, and those covering the developmental activities selected; selected HEGIS data over the period 1976-81, including revenue by source, expenditures by category, undergraduate FTE enrollment, numbers of faculty, and certain ratios derived therefrom; and, materials collected from the Office of Institutional Development files and directly from the institutions. The latter included recent catalogs; self-study and/or accrediting commission reports; recent audit reports; presidents' annual reports; institutional research reports; and program description and evaluation reports related to the developmental activities reviewed. Although the specific focus was the period from 1976 to the present, earlier historical information was frequently available, and was also considered (an excellent and extensive published history was available for one institution). It should also be noted that the three evaluators had served as site visitors and among them had visited 32 of the 51 institutions.

The evaluators also attempted, in their judgments, to be sensitive to institutional type--whether public or private, and whether 2-year or 4-year. For example, when examining the proportion of revenue represented by tuition income, or by private gifts, an attempt was made to conceptualize the significance in a perspective of institutions of type similar to that examined, as opposed to all institutions in the sample. Or: qualitative standards for educational programs, such as proportion of faculty with terminal degrees, were adjusted in terms of the kind of program offered, recognizing, for example, that such an index is not as relevant for a community college offering terminal programs as for a 4-year institution with a substantial emphasis in its mission on preparing students for graduate or professional study.

It should be emphasized again that in formulating criteria for the ratings of developmental status, concern was with quality of functioning, not style of

functioning, particular procedures, or strategies. The attempt was to arrive at an indicative set of preliminary, condition-descriptive criteria (or dependent variables) as a basis for later determination of the associated or causal forces that appear to have produced the developmental states. Criteria applied in each of the three domains (i.e., management, fiscal, and program) will now be presented, followed by a brief description of the resulting clusters of institutions in terms of developmental status.

C. Administrative and Management Indicators Signaling Institutional Development

In the administrative and management area, the basic attempt was to determine positive development or improvement in management structure, quality, and functioning over the period 1976-82, and adequacy for maintenance and further developmental purposes in accordance with mission at the time of the site visit. Five areas were examined in particular: the quality and functioning of the governing board; the functioning of the president; the functioning of the management team (president and other administrative officers); the management context; and the institutional context relevant to management.

Institutions were rated positively on quality and functioning of the governing board on the basis of absence of friction within the board or with other governing or coordinating authority or absence of friction between board and the president,[2] board concern with policy and fiscal matters as opposed to usurping responsibilities of the officers to carry out policy, appropriateness of composition of the board, and evidence of active and constructive involvement of its members in board affairs and on board committees. Where there was limited information, or where board functioning appeared pro forma or routine, it was assumed that the board was not a signal influence in institutional development, and the stable or neutral category was used. Evidences of frictions, conflicts, opposition to management recommendations without obvious bias, or lethargy or inactivity of members, placed the rating in the negative category.

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2 It is recognized that "absence of friction" can also signal lethargy or pro-forma functioning. Accordingly, ratings in this area were sometimes modified or weighted on the basis of other evidence.

In most instances, site visitor exposure to the president, the apparent impacts of his style of operation, and the perceptions of other campus respondents, permitted a clear characterization of the president or presidents over the period of focus. Where the president was new to role (i.e., began such service in the last year or two), the focus was clearly placed in the ratings on the prior president or presidents (in those cases of a new president, no clearly significant and plausible turnaround with that new president in institutional functioning was evident, though a number appeared to be moving in promising directions; the data suggest that a period of 3 to 5 years may be needed for a new president to establish his working relationship with the board, develop his administration team, and decide on priorities and achieve visible results in meeting them).

Presidents were rated in the positive category on evidences of respect for him or her by the faculty and staff, and of impact on them as a stimulant; of knowledgeability about the institution, and objectivity in interpreting it to the site visitors; of ability to effectively delegate and monitor appropriate responsibilities; of availability for the role as he or she defines it (e.g., not on leave or carrying heavy extra-institution responsibilities); and absence of any significant challenge, for whatever reason, to his or her tenure as president. Negative ratings were made on these dimensions where the evidence was to the contrary; where there was no evidence, or where functioning appeared perfunctory, the stable or neutral rating was applied.

In the ratings of other administrative staff, attention was focused on the apparent knowledgeability of the senior officers about the institution in their area of responsibility; reasonable continuity in occupancy of the key positions under a given president, and confidence of the president in these staff; presence or absence of significant failures of any of these staff in their area of responsibility, or of evidence of respect for the staff member by those managed; and presence or absence of conflicts among the administrative team members.

Ratings of management context focused on: effective functioning of the administrative team in agreement with the organization chart; agreement of administrators on institutional mission as it may be detected by institutional practices, and on institutional priorities; and provision for participation in a president's council.

Ratings of institutional context relevant to management focused on: presence or absence of visible and significant crises (lawsuits, scandals, disruptive protests, etc.) over the last 5 years; adequacy of physical facilities; a turnaround in enrollment or the fiscal indices with a significant event (e.g., appointment of a new president); reasonable stability in desirable faculty and staff; and (though overlapping somewhat with a comparable rating in the fiscal domain) the exhibition of a generally positive picture in enrollment and fiscal position over the last 10 years.

Ratings in each of the five management areas were examined; then, the trend of the ratings in the five areas was expressed as a single rating on quality of institutional management, with an attempt to weight reasonably the individual areas in terms of the context and apparent significance of their impact (e.g., a neutral rating in area produced by absence of information rather than evidence of perfunctory functioning was generally not considered satisfactory evidence for changing the overall positive or negative ratings in other areas toward the neutral position; or, a particular crisis may have had overwhelming impact). <u>In general, there appeared to be the expected relationship among the areas</u>. By this process, and later challenge and defense of the ratings by the other two readers/evaluators, 16 institutions were placed in the positive category of management effectiveness, 25 in the neutral category, and 10 in the negative category.

D. Fiscal Indicators Signaling Institutional Development

Fiscal rating of the institutions in the sample was based on a combination of quantitative financial data and qualitative judgments of site visitors. Financial statistics were drawn, as noted, from HEGIS data supplemented by audit reports, other financial reports, and information collected by site visitors. For purposes of measuring trends, data were generally collected for the 5-year period beginning in FY 1977 and ending in FY 1981. In some cases, more recent data were available. In others, reliable information later than fiscal 1980 was simply not available.[3]

[3] As a general rule, significant data inconsistencies were observed, especially between HEGIS financial status reports and audit reports. Variations were due primarily to differing assumptions behind certain line items in the reports or to the fact that different persons had prepared the reports in successive years, or that internal accounting procedures were changed. There was no evidence of deliberate manipulation of HEGIS data for purposes of misleading anyone. However, data inaccuracy and inconsistency presented a major problem for the fiscal aspects of this study.

Using fiscal worksheets prepared for this study and involving selected NACUBO data categories and ratios, extensive data covering revenue and expenditure components, balance sheet items, financial aid, and Title III funds impact were collected for each institution. While all of these data were reviewed for purposes of fiscally rating the institutions, particular attention was given to five data categories, specifically:

- Enrollment;
- Unrestricted current fund balance;
- Ratio of government grants and contracts to current revenue;
- Ratio of income from private gifts plus endowment income to current revenue (of interest primarily for private institutions); and
- Ratio of current fund balance to annual E & G expense.

The choice of these particular variables was made essentially on logical (though somewhat simplistic) grounds. Enrollment decrease, stability, or increase can reflect a number of essential qualities--the attractiveness of the educational program, the effectiveness of recruiting, the contribution to revenue from tuition, etc. Its significance for present purposes is further qualified by whether changes in enrollment are accompanied by changes in tuition or funding on a per-student basis While this gross index does not take into account the issue of optimal size for a given set of resources, it is reasonable to assume that declining enrollment is more likely to signal developmental difficulties than success.

The unrestricted current fund balance, or the ratio of current fund balance to E&G expense, are an absolute or a relative index of how well the institution has lived within its means. While deficit spending may sometimes be a wise or necessary move, it is reasoned that an institution operating continuously or increasingly in the red is more likely to be in trouble than one that is breaking even or establishing a surplus (which can be used to tide over in a lean year or for new investment).

The ratio of government grants and contracts to current revenue is a gross index of the degree of dependency on the government as a source of support, although it can also relfect the degree to which the institution has achieved such "positive" qualities as serving Federal purposes, or versatility in achieving revenue support. This ratio has particular relevance, of course, to the Title III intent. The ratio of income from private gifts plus endowment is a more clear-cut indicator in the current context; given that this

source of support is relatively small for the institutions studied in comparison to American higher education institutions in general, an increasing proportion of revenue from private gifts and endowment should be a positive sign.

It is implicit in this brief elaboration of reasoning behind the selection of fiscal indices that each can have serious flaws, or that different combinations signal different conditions or problems. For example, it is possible to find institutions with stable or increasing enrollment and an increasing negative current fund balance, which raises, of course, the need to probe further for an explanation. Has the institution been misled to overspending by the enrollment increase? Has it passed an optimal size? Is it subject to a state funding formula that is not enrollment-driven? It is for this reason that, in the assessment of the fiscal indicators, an attempt was made to view them in combination and in light of other information about the institution, before assigning the institution to a development category. This procedure is necessarily subjective to some extent, and data quality was more variable than anticipated (e.g., HEGIS data did not always agree with the annual audit data or other computations of full-time equivalent enrollment; these are conditions that suggest some clean-up may be necessary for more rigorous statistical study of the interrelationships and meanings of the indices). Nevertheless, we assumed that the variables and process employed were sufficient for assigning institutions to the three gross developmental categories.

These data were studied in terms of both current status and 5-year trends. Current status (that is, the most recent year for which data were available) was important as a static measure of fiscal viability (or distress). Trend factors were important as a dynamic measure of direction. The relative importance of absolute values and trends varies. Enrollment, for example, is frequently a key revenue determinant and indicator of institutional momentum. It is most important as a <u>trend</u> indicator. Unrestricted current fund balance is a key measure of actual fiscal condition. It is most important as a <u>static</u> indicator.

In virtually every case where fiscal indicators were decisively positive or negative, the judgments of site visitors regarding the quality of fiscal management were in accord. In cases where the numbers were ambiguous or neutral, site visit reports (amplified by documents such as institutional

reports, self-studies, evaluations, etc.) were used to confirm a neutral rating or, occasionally, to tip the balance to place the institution into the positive or negative categories of fiscal development.

For rating purposes, factors in the site visit reports of particular interest included the following: (potentially causal factors underlying these dependent variable manifestations are discussed in the next chapter).

-- Evidence of significant change in fiscal indicators and trends since FY 81;
-- How well the institution seemed to be responding to factors in the external and internal environments;
-- The performance, roles, and interaction of key principals in fiscal management;
-- Distribution of and reliance on various categories of revenue;
-- The accuracy and availability of financial information; and
-- The apparent impact of externally funded development activities in the fiscal domain such as improvements in financial accounting procedures, establishment of computerized information systems, or new fund raising strategies.

Ratings for the five data categories, confirmed or adjusted as appropriate from review of the site visitor assessments, were combined to form an overall rating of fiscal health for each institution. By this process, with some later modification in the process of review and discussion among the study team (see section III.F), 14 institutions were placed in the strong category of fiscal health, 29 in the stable or neutral category, and 8 in the vulnerable category.

E. Program Indicators Signaling Effective Institutional Development or Maintenance of Adequate/Appropriate Status

The program is what the institution offers and promotes, and what it sells and delivers. Using this broad view for purposes of establishing criterion ratings, the program domain was examined qualitatively in terms of six major areas: (1) proportional and absolute amounts of expenditures devoted to instruction, and the student/faculty ratio; (2) quality and morale of faculty; (3) student morale; (4) quality of the academic and technical program offerings; (5) nature of student support services and instructional resources

available; and (6) clarity of mission as related to the program and student population, and the distinctiveness of institutional identity.

In examining these areas, attention was given to program history as a record of change in essential mission or institutional status (e.g., from a secondary level program, to baccalaureate, to graduate level) since it was deemed important to know the basic "historical" context within which recent change had taken place and in which current program quality was being judged.

With regard to instruction-related expenditures, account was taken of four variables showing increase, stability, decrease, or a mixed pattern over the comparison years, based upon HEGIS data or alternative sources. These were: proportion of total E&G devoted to instructional and academic expenditure, per student E&G, per student instructional and academic expenditure, and FTE student-faculty ratio. These "fiscal" variables were selected for their implied importance to the nature, extent, and delivery of program. Trends of increase in actual expenditures would suggest program expansion or refinement (including academic resources of many sorts and student support services), but the levels of these indices were also important to the judgments. For example, increases in instructional and academic expenditures coupled with reasonable decreases in student-faculty ratios (to a level in the neighborhood between 1:15 and 1:20) were generally viewed as positive indicators. However, where the ratio fell below 1:15, there was concern over an uduly expensive faculty at non-research undergraduate institutions; where the ratio exceeded 1:25, there was concern that faculty were spread too thin; thus, negative ratings were suggested. Similarly, with regard to proportion of total E&G devoted to instruction/academic costs, a basic rule of thumb was that a level above 40 percent at the most recent date would indicate "strength" even though there had been stability or a small decrease in that variable. The very complexity inherent in juggling increase-decrease trends, actual levels, amounts of change, and interactions among these indices forced the rater to make conjectures rather than absolute judgments.

Review of faculty quality and morale were based on such general subfactors as proportion of terminal degrees, stability, research activity, participation in renewal opportunities, apparent commitment to the job, acceptance of the mission and the student populations served, and evidence of active participation in the affairs of the institution. Current status in these dimensions as well as meaningful change over recent years (e.g., terminal degrees, attitudes, and professional development) were taken into account via study of available

data of record and site visitor exposure to the perceptions and reactions of an array of faculty, department chairs, deans, and others. Observation in classrooms, faculty meetings, and informal settings was also employed in developing generalized impressions of these qualities. Positive ratings were assigned, on the basis of the evidence from the site visitor reports and other materials across a majority of subfactors, including absence of open or restrained friction with the administration. Negative ratings were assigned where the preponderance of impressions was to the contrary. Where there was little or no evidence or where overall quality and energy appeared to be pedestrian, a neutral rating was indicated.

Student morale was rated on the visitors' broad impressions during the visit as well as on faculty and staff perceptions as reported. Effort was consistently made to talk informally with students, observe academic and social settings (formal and informal), and to interview students in groups related to particular programs of interest. Where overall morale, involvement, energy, appreciation of academic and support services, and general openness were summarized as a strong and constructive attitude, a positive rating was entered; negative ratings were assigned where there was a clearcut report to the contrary. The neutral category was used where there was limited information or a sense of a so-so attitude.

The academic and/or technical program was rated positive where there was evidence of a general core program of acceptable depth and breadth; remedial and developmental offerings of long standing that were comprehensive, utilized, and generally accepted; career-area and preprofessional programs reflecting reasonable options for the 1980s; a systematic and functioning means of providing effective academic advising; an absence of disruptive friction among major units or departments in the academic arena; and a sufficiency of courses and curricula for the programs of greatest import to institutional survival. An additional subfactor was considered: the use of a variety of instructional modalities or at least a documented movement toward use of media approaches, modules, computer-assisted instruction, seminars, internships, and other strategies. A negative rating seemed indicated where the program appeared to be weak in three essential subfactors (the core program, remedial/developmental offerings, and up-to-date career options) even if other program aspects were of reasonable quality. The neutral rating was assigned in cases where some exemplary aspects were balanced by notably weak or out-of-date aspects (one

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example being a strong graduate and technological program but floundering liberal arts, general career, and basic core programs).

The academic support criterion included two major subdivisions--first, student support services such as comprehensive counseling, tutoring, career study, placement, voluntary academic skills development, and other assistance--and second, academic resources such as library, media center, laboratories, studios, shops, computers, self-instructional materials. Where these services and resources were available, coordinated, of adequate quality, and staffed appropriately (including some degree of faculty participation), a positive rating was assigned. Even where some academic support elements were missing or were not well coordinated, but where the program had developed from virtually ground zero or improved markedly in recent years, the judgment was positive. A low level of resources and facilities combined with weak or unutilized student support services led to a negative rating.

Clarity of mission, and particularly its effect on the implementation of a suitable program related to the chief student populations sought, appeared to be a prime indicator of program quality. Similarly, the emergence of a distinct identity and reputation appeared to reflect good program development and quality. Presumably an identity worth promoting could not exist without a program of note (or with certain special features) to back it up. A positive rating for this final criterion was assigned where the mission statement was clear, firm and in place, generally accepted by all concerned, and instrumental in guiding program development so that students who fit the mission were essentially the ones sought and enrolled. A positive rating on mission was expected to have as corollary a positive rating on identity and reputation, since implementing the mission would lead to some aspects of distinctiveness (e.g., a graduate program, a focus on adult re-entry students, 2-year programs, a single department, or a whole area such as science or engineering). Account was taken of multiple-mission situations in larger institutions, and of the fact that the mission may have become clear and firm only recently but yet had begun to guide the program and the fortunes of the institution.

As in the fiscal and management domains, the ratings in the several program quality areas were combined to form a single rating. By this process (and later review, as described in Section III.F), 15 institutions were assigned to the positive category, 25 to the neutral category, and 11 to the negative category.

F. <u>The Designation of Criterion Clusters of Institutions</u>

Upon completion of the ratings of the 51 institutions in the fiscal, management, and program domains, the three specialists representing these areas met at length over two days to review the separate ratings and to place institutions accordingly into the strong, stable, or vulnerable categories.

Whether there was agreement or disagreement among the ratings assigned to each domain area, each rater was asked to examine and defend the particular rating assigned, with recourse to source material. Any disagreements were defended with contrary evidence, until each rater could agree with the other raters that his placement of the institution in the positive, neutral, or negative category in his area was reasonable.

It would have been good procedure, of course, to have several raters examine each area independently, toward a formal test of inter-rater agreement. The materials on which the ratings were based were voluminous; careful study for the evaluation purpose was found to require an hour or more for each institution, even given the fact that the three evaluators were already familiar, in many instances from participating in the site visit as well as from prior review of the materials, with each institution. Given practical considerations and the fact that much of the data were soft, it was decided that the intensive review and challenge procedure would be adequate for reasonable assignment of the institution into the three gross categories employed.

Incidentally, it may be of interest to note that the rather extensive challenge process resulted in changing the original ratings one category (positive, neutral, negative) up or down as follows: fiscal area, 4 revised ratings; management area, 2 revised ratings; and program area, 5 revised ratings. Thus, agreement among the three independent ratings seems relatively high.

Though there are obvious limitations to the classification procedure, four clusters of institutions were established, as presented in Table III.1, and as summarized below:

1) Institutions rated positive or "strong" on developmental status in all three domains (N=9).

2) Institutions rated neutral or "stable" on developmental status in all three domains (N=20).

3) Institutions rated negative or "vulnerable" on developmental status in all three domains (N=8).

4) Institutions with mixed ratings among the three domains (N=14).

Table III.1

Description of the 51 Case Study Institutions in Terms of the Ratings of Developmental Status in the Fiscal, Management, and Program Domains

No. of Institutions	Rating in Domain			Developmental Status Assigned
	Fiscal	Management	Program	
9	+	+	+	Strong
20	0	0	0	Stable
8	-	-	-	Vulnerable
1	+	+	0	Mixed
4	0	+	+	Mixed
1	+	0	+	Mixed
1	0	0	+	Mixed
2	+	0	0	Mixed
2	0	+	0	Mixed
1	0	0	-	Mixed
1	+	-	-	Mixed
1	0	-	-	Mixed
Totals: 51	+:14 0:29 -: 8	+:16 0:25 -:10	+:15 0:25 -:11	

While each of the multiple criteria employed in each domain had clear positive or negative direction, the clusters resulting from the review do not present a consistent picture on the separate criterion indices. Although a positive relationship may be expected among many of the underlying factors, it would be unreasonable to expect or force a perfect relationship. More importantly, in their apparent dynamic relationships within particular institutions, sometimes one factor appears ascendant, sometimes another. For example, the group of nine institutions placed unanimously in the positive category contained seven with enrollment increases over the period from 1976 to 1981 or 1982 (ranging from 4 to 27 percent), and two with substantial enrollment declines (of 31 and 36 percent). The latter two institutions appear to be managing decline in enrollment by procedures and strategies that improve their chances for effective continuation (e.g., by reductions in faculty, cost efficiencies, successful drives for new revenue, etc.). Indeed, all nine institutions in this category had positive unrestricted current fund balances in 1981.

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G. <u>Summary Description of Institutions Assigned to the Strong and Vulnerable Groups</u>

1. <u>Description of Institutions Designated as "Strong" Institutions</u>

The nine institutions receiving unanimous election to the strong group consisted of one public two-year community college, four private four-year historically black institutions, and four private traditionally white four-year institutions.

In terms of <u>enrollment</u>, the number of Fall 1981 undergraduate FTE students in the nine strong institutions ranged from approximately 680 to 3100, with median value of 1270. Seven of the institutions had had enrollment increases (from 6 to 27 percent) between Fall 1977, and Fall 1981; the other two--one a private four-year black institution and the other a community college--had experienced enrollment decreases of approximately 33 percent, but were so positive on other indicators that this negative indication was discounted (for example, both had had substantial and positive Unrestricted Current Fund Balances in 1977, and both had increases in the positive direction by 1981--the community college UCFB in 1981 was 154 percent of its 1977 value, and the black institution's 1981 figure was 252 percent of the 1977 value).

In terms of <u>unrestricted current fund balance</u> (UCFB), all nine institutions experienced a surplus in the fiscal year ending in 1981 (median value was $314,000, with range from $144,000 to $986,000). The annual balance for four had increased substantially over the 1977-81 period; three had remained essentially constant, and two had declined (the institution with the largest decline--about $450,000--was the one with the 1981 UCFB of +$144,000, but other indicators were strong--e.g., enrollment increase of 27 percent, per student expenditures (1981) were slightly above $6,000, faculty-student ratios were 1 faculty member per 14.6 students (from 1 per 16.0 in 1977), etc). For 1981, the UCFB dollars represented from 1 to 24 percent of the education and general expenditures that year, with median value of 6 percent.

In terms of <u>revenue from Title III</u>, the median value of Title III revenue at the nine institutions for 1981 was about $370,000, with range from $230,000 to $925,000. Increase/decrease over the period from 1977 to 1981 ranged from +$340,000 to -$468,000, with six of the nine institutions having higher Title III support in 1981 than in 1977 (the median value of the differences was about $120,000). The proportion of total revenue in 1981 represented by Title III funds was 4 percent or less with two exceptions (one drawing 9 and the other 11 percent in 1981); the median value for this proportion was 4 percent.

The proportion of revenue from all government grants and contracts (excluding student aid funds) ranged in 1981 from 5 to 29 percent, with six of the nine institutions above 20 percent; the 1981 proportions represented an increase (of from 4 to 21 percentage points for six of the institutions, essentially no change for two, and a decrease of 5 percentage points for one). The proportion of 1981 revenue from private gifts and grants ranged from 5 to 19 percent, with median value of 14 percent. The difference between the proportion values for 1977 and 1981 were slightly higher (1 to 3 percentage points) for three institutions, the same for one, and slightly lower (-1 to -5 percentage points) for four.

Per student E and G expenditures in 1981 for the strong institutions ranged from $3150 to $6190, with median value of $5820. Instructional expenditures in 1981 ranged from 25 to 53 percent of total E and G expenditures, with median value of 35 percent; in 1981 dollars, the per student amounts of instructional expenditures ranged from $840 to $2340, with median value of $1720.

With regard to the relatively subjective management criteria applied, there was clear evidence in five of the nine instances that the governing board was actively involved with the president in fiscal development, were active in attendance, and met regularly. All presidents had been in office at least five years, were uniformly respected, and were fully available for their role; none appeared to have experienced any challenges to their tenure from their board, faculty, students, or alumni. There were no significant vacancies in top administrative staff, and the incumbents appeared comfortably entrenched, active, and in harmony with the president and each other, on mission, institutional priorities, and the nature of their own responsibilities. The contexts of the institutions were positive, in regard to absence of significant protest or legal challenges, adequacy and condition of physical facilities, and stability (low turnover) of faculty. Of the some 30 specific questions asked in each instance in the ratings, two institutions each received one negative rating on one of the questions (one had experienced recent legal challenges from a former faculty member; the other had no apparent person clearly in charge in the president's absence); other evidences were positive (approximately 80 percent of the items) or neutral (20 percent, usually reflecting no significant information in the areas).

With regard to subjective analyses in the program domain (academic and support programs), the strong group was characterized by stable faculties with reasonable to positive credentials, and in all nine cases faculties were judged to have positive to very high levels of morale and commitment to their roles and institutions. In most cases student morale was also judged to be positive. Overall academic and/or technical program quality was assessed as positive in seven cases and neutral in two (in several instances revealing dramatic positive change in the past 10 years), while both academic/personal supports and broad academic resources appeared to be generally strong in all but one institution each (one case involved less than adequate academic facilities and the other only was found to have peripheral student support services). This group was overwhelmingly characterized as having developed clearcut, accepted, and actualized missions that matched the programs offered and the students sought; and all had developed either a strong or neutral identity and image in one or more special programmatic aspects.

2. Description of Institutions Designated as "Vulnerable Institutions"

The eight institutions unanimously elected to the vulnerable group were all privately controlled; six were four-year historically black institutions, one a four-year traditionally white institution, and one a two-year minority controlled institution.

In terms of enrollment, the institutions were clearly smaller than those in the strong group: the numbers of Fall 1981 undergraduate FTE students ranged from approximately 100 to 1530, with median value of 675; four had had enrollment decreases (from 6 to 35 percent) between Fall 1977 and Fall 1981; two were essentially unchanged; and two appeared to have sustained increases of 14 percent or more, though in one of these two instances the increase appeared to result from a difference in the classifications used in a multipurpose, multicampus college. These latter two were placed in the negative category on a number of other indices, and consequently assigned to the vulnerable group in spite of these FTE enrollment increases.

In terms of unrestricted current fund balance, all but one of the eight institutions experienced a negative UCFB in FY 1981 (from -$22,000 to -$120,000, though in the latter case the operating loss in the 1977 base year was about -$1,500,000); one institution ended the 1981 fiscal year with a positive balance of slightly more than $700,000, up by about $100,000 from the 1977 figure, but appeared in clear trouble in this regard in the 1982 fiscal year,

as well as evidenced other signs of distress. The median 1981 UCFB value for the group was -$295,000.

The difference between the 1977 and 1981 UCFBs was positive for three of the eight institutions (two of which experienced nevertheless a negative balance of more than a quarter million dollars in 1981); and negative for three (in one case drawing from an increasing negative balance, and in the other two from movement from positive to negative balances); and, in one case, there was essentially no difference between the 1977 and 1981 UCFBs. The UCFB data for the eighth institution, as available in HEGIS, were highly discrepant from the audit reports, which suggested a change from low positive to large negative balance. For 1981, the UCFB dollars for the seven schools with negative values represented from 1 to 36 percent of the education and general expenditures that year, with median value of 7 percent.

In terms of <u>revenue from Title III</u>, the median value of the total Title III revenue in 1981 was about $400,000 (a little higher than for the strong group), and ranged from $225,000 to $485,000 (more restricted than for the strong group). Only two institutions had experienced decreased grant values in 1981 over that for 1977, but the median value of the differences between 1977 and 1981 was an increase of $22,000 (only about one-sixth of the similar figure for the strong group). The proportion of total revenue in 1981 represented by Title III funds ranged from 5 to 18 percent (median value, 9 percent).

The proportion of 1981 <u>revenue from all government grants and contracts</u> (excluding student aid) ranged from 11 to 62 percent, with median value 27.5 percent, and with all but one of the eight institutions above 20 percent; the 1981 proportions represented an increase (from 3 to 23 percentage points) for half of this group, and a decrease (from 1 to 18 percentage points) for the other half. Thus, the vulnerable group, in general, is much more heavily supported by government grants and contracts than the strong group, although the latter group includes one public institution. The proportion of 1981 <u>revenue from private gifts and grants</u> ranged from 6 to 24 percent, with median value of 13 percent (i.e., not significantly different from the strong group). The difference between the proportion values for 1977 and 1981 was slightly (1 to 3 percentage points) higher for four institutions, slightly lower (-2 to -6 percentage points) for three institutions, and substantially lower (-22 percentage points) for one that had lost major church support during this period.

Per student educational and general expenditures in 1981 ranged from $4370 to $6720 for seven of the institutions; the value for the eighth was more than twice that of the highest of the other seven, due to a number of atypical circumstances. The median value for the eight institutions was $5440. Instructional expenditures in 1981 ranged from 25 to 47 percent of total E and G expenditures, with median value of 38 percent (or, about the same as for the positive group); in 1981 dollars, the per student amounts for the first seven institutions in the E and G range cited ranged that year from $890 to $2270, with median value of $1460 for the eight.

With regard to the relatively subjective management criteria applied, there was clear evidence of positive Board activity in only two of the eight institutions, negative patterns (poor attendance, general inactivity, etc.) in two, and no substantial positive or negative information in this regard on the other four. With regard to their presidents, three were new within the last two years (following presidents that had been generally associated with decline; the other presidents had had tenure of from 5 to over 25 years, but in most instances were not found to be held in uniform high regard by their administrative staff, or faculty, or both. Several had experienced more than incidental recent turnover in other top administrative staff or had some administrators who were in conflict with others. The management contexts (functioning as prescribed by the organization chart, agreement of administrators on institutional mission, holding of regular management meetings, agreement of administrators on institutional priorities) were rated negative in only two instances, positive in four. Six of the eight were rated negative on general institutional context, reflecting such problems as visible crises or lawsuits, inadequacy or poor condition of physical facilities, high faculty turnover, and no major positive events in institutional development in the last ten years.

In the program domain (academic and support), the vulnerable group was characterized as having fairly unstable faculties with weak or neutral credentials (only one institution was judged positive on this criterion) but with a wide range of apparent levels of morale and commitment to their roles. Student morale was judged almost universally to be negative, as reflected in apathy or criticisms. Overall academic/technical program quality was assessed as positive in one case, neutral in four, and negative in three (a very different distribution from the comparison group), while the majority of schools were also judged to have neutral or negative academic resources and either hap-

hazard or underutilized academic/personal support services (1 case was rated positive on both these indices, but this case did not have a positively rated overall program). This group on the whole had difficulty achieving a satisfactory operational definition of a clear and acceptable mission, reflecting current confusion or dissension, and only one was judged to have arrived at a distinctiveness of program features that resulted in a positive image (one was rated neutral, and six negative, on the identity criterion).

3. Comparison of the Strong and Vulnerable Groups with the Neutral or Stable and "Mixed" Groups

Although the distributions of the institutions on the several indices are more informative than a simple display of median values, the distributions involve considerable detail, and thus are presented in the technical appendix (Appendix A). Table III.2 presents the median values on the several indices for each institutional group (including the neutral or stable group and the "mixed" group, not summarized above) for (1) the values for the fiscal year ending in 1980 or 1981 (or, in the case of enrollment data, the Fall 1980 or 1981 enrollment)[4] and (2) the medians of the values representing, for each institution, the differences between the 1977 and 1981 values on the several indices (differences in the 1977 and 1981 medians for the groups are not considered reliable indicators because of the small numbers of institutions involved and the relatively extended ranges of values on the indices).

The data presented in Table III.2 reflect, at the least, the conviction of the evaluators that although each index has its own meaning and merit, it is the unique and dynamic interaction of the indices in each case that had to be considered in the classification, and that any "low" value on one index may be counteracted or moderated by other information. It is clear that whatever went into the judgments, the 1981 unrestricted current fund balance either rightfully or wrongfully weighed heavily in the assignments to development categories, or represented more generally than the other indices the result of their interactions to place the institutions in the strong or vulnerable groups. The relationship of the other indices to the grouping is less clear. We believe the explanation lies in judgments that attempted to look at the integrated picture. For example, enrollment increase may bring additional

[4] For 10 of the 51 institutions, the latest data available were for 1980.

Table III.2

Median Values for Institutions, by Development Category, on Selected HEGIS Indices

Index	Strong (N=9) 1981	Strong (N=9) 1981-1977*	Stable (N=20) 1981	Stable (N=20) 1981-1977*	Vulnerable (N=8) 1981	Vulnerable (N=8) 1981-1977*	Mixed (N=14) 1981	Mixed (N=14) 1981-1977
FTE UG Enrollment	1267	-	1495	-	676	-	1658	-
Percent Increase	-	14%	-	12%	-	3%	-	14%
Per Student E&G	$5820	$2210	$4750	$1135	$5435	$1485	$5230	$1095
Unrestricted Current Fund Balance	$314,000	$4,000	$161,000	$51,000	-$295,000	$7,000	$92,000	-$109,000
Title III Revenue	$371,000	$121,000	$329,000	-$1,500	$400,000	$22,000	$414,000	-$46,000
Title III Revenue/Current Fund Revenue Total	4%	-	4%	-	8.5%	-	4.5%	-
Increase/Decrease in Percentage Points	-	0	-	0	-	0	-	-1.5
Proportion of Revenue: Govn't Grants and Contracts	24%	-	9%	-	27.5%	-	18.5%	-
Increase/Decrease in Percentage Points	-	4	-	-1	-	-3.5	-	-2.5
Proportion of Revenue: Private Gifts	14%	-	3%	-	13	-	2.5%	-
Increase/Decrease in Percentage Points	-	0	-	0	-	-.5	-	.5
Instruction Expenditures Per FTE	$1720	$470	$1645	$420	$1465	$335	$1570	$280
Proportion of Total Expenditures for Instruction	35%	-	49%	-	38.5%	-	39.5%	-
Increase/Decrease in Percentage Points	-	-6	-	-3	-	-3	-	-.5
Current Funds Balance/Current E&G	6%	-	4%	-	-7%	-	2%	-
Increase/Decrease in Percentage Points	-	-4	-	.5	-	1	-	-4.5

* Statistic provided is the median value of the array of differences for each institution between the 1981 and 1977 values, not the difference between the 1981 and 1977 medians.

NOTE: Frequency distributions for all indices, for 1977, 1981, and for differences between 1981-1977 are presented in Appendix A.

revenue and/or may generate additional costs; or, contrariwise, an enrollment decline can be met with actions that place the institution in a more solid position with regard to its future security.

It is interesting to note that all but one of the 20 public institutions were assigned to the neutral or stable category or to the mixed category (and not to the strong or the vulnerable categories). It is possible, of course, that the application of the criteria implicitly or explicitly focused on variables more relevant to private than to public institutions, or that there were (unconscious) biases in their application. The evaluators, after considering these issues, concluded that the most likely explanation for the fact that the vast majority of public institutions were placed in the stable or neutral group (12 of 20) or the "mixed" group (7 of 14) is that these institutions are simply less likely to fall into a serious risk position, given public support. They also experience, in most instances, certain constraints on development, as a function of conservative forces in state planning, which may deter a press for soft money financing from Federal sources. In the mixed category, for example, only 3 of the 7 public institutions were rated positively on the fiscal category, and none rated negatively; 3 were rated positive and 2 negatively on the management category; and 3 were rated positively, 1 negatively, on the program category.

Chapter IV

Factors Associated with Effectively Developing Institutions

The previous chapter outlined how institutions were classified as "strong," "stable," "vulnerable," or "mixed," in terms of developmental status. This chapter provides a brief account of the analysis strategy for determining why the differences in developmental status may exist. Then, factors at the general institutional level that seem to account for the differences found are presented, with separate attention to fiscal, management, and program functions. This chapter addresses the question: "What is it that the kinds of institutions studied have done that results in continued progress toward overall fiscal viability and program quality?"

A. Analysis Strategy

1. Overview of Analysis Strategy

As described in the previous chapter, an attempt was made to examine all data collected on the 51 institutions with respect to their fiscal security and viability, the effectiveness of their administrations, and the quality of their educational and support programs. The emphasis was on criterion qualities of excellence or goodness at the time of the review. Attention was also given to those trends and current status that imply a capability to survive or to continue positive trends with or without Federal support through Title III. In this assessment of developmental status, considerable care was taken not to involve factors that might explain how the current developmental status was attained. The purpose was, first, to identify institutions that rather assuredly had arrived at, or were closing in on, a comfortable ability to control their own destinies without Federal Title III support, as opposed to those that were clearly vulnerable, in trouble, or currently exhibiting declining trends in areas vital to survival. Then, with the identification of criterion groups of strong, stable, and vulnerable institutions, an intensive study of differences in values, assumptions, priorities, strategies, procedures, and contexts that might plausibly account for the differences in developmental status was undertaken, using the contrasts to highlight potential causes and to aid in inhibiting any preconceived biases. Thus, we were

not testing any particular model, but searching for one or more that might account for dramatic differences in overall current status and future risk.

This chapter reports what we believe are significant and plausible differences that emerge from the contrasts among the groups of institutions resulting from the assessment of developmental status. The three domains--fiscal, management, and program--were perceived as foci for separate treatment, with review of the data by the three analysts who had determined the criterion ratings. Their reports follow in the next sections of this chapter.

2. Analysis Procedures

From the time of initiation of the site visits, there had been a continuing formal attempt to develop and refine our understanding of what factors may be important in institutional development, or are associated with successful outcomes and consequences of developmental activities.[1] A progressive set of working papers, initially focusing on hypotheses, and later focusing on the variables that the hypotheses invoked, was developed. Prior to the assessment of institutional development status reported in the previous chapter, the working lists of variables had been broken down into criterion (or dependent) variables, or variables, generally of a descriptive nature, characterizing the current condition of the institution; and predictor (or independent) variables, or variables reflecting potential causal factors that might be, from logical reasoning or from the progressive observations, associated with different criterion states.

Following the intensive study culminating in the assignment of institutions to the developmental categories, the working lists of independent variables were divided into those relevant to the fiscal, management, and program domains, to provide checklists or data extraction formats for use in returning to the files for a reexamination of institutional data, with institutions now grouped in terms of the assessments of institutional status. Each of the three analysts involved in the criterion ratings first reexamined and refined the lists of independent variables in his area, then addressed to the institutional data files to determine what reliable or consistent differences in terms of the independent variables were reflected by the contrast of the developmental groups. In this re-review process, the relatively small numbers of institutions in the strong (N=9) and vulnerable (N=8) groups permitted intensive

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1 This effort began, of course, with the development of the site visitor protocols and reporting forms, as described in Appendix A.

focus on these extremes, but constant recourse by each reviewer was also made to institutions in the mixed group (N=14), particularly those rated positively or negatively in the domain of interest. The stable or neutral group (N=20) was also used as a constant backdrop and as an occasional hunting ground to pursue eme[illegible]ns raised by the contrasts of the extremes.

The c[illegible]ial varied from institution to institution to some extent, as a function of a number of factors: the particular team of site visitors, the amenability of the institution to review, and the varied sets of forces and circumstances that appeared to provide the most satisfactory explanation of developmental status and how it got there, the level of insight of the respondents to the interviews, the nature and extent of documentary evidence available, etc. Rather than depend on a tally of factors alone, the reviewers also attempted to understand each institutional situation in terms of its particular situation, and to seek out the underlying dynamics through study of the specific circumstances and evidences in each case.

It was anticipated at the outset that any institution would have some strengths and weaknesses. We tried, through the criterion groupings, not to be misled by letting an apparently significanteffort that had not emerged in bottom-line status bias judgment of the overall institutional condition, nor to be distracted by an apparent glaring weakness if the overall situation appeared strongly positive. It was also believed at the outset that the patterns affecting development might vary: a president weak in one area of management may obviate this weakness by proper delegation to an appropriate able colleague; a strong group of department heads and faculty may nullify any deleterious effects of a weak chief academic officer. Accordingly, we made a carefu[illegible]t to look at each institution as a whole. We tried to be conscious of the difference between lip service and actual behavior, a lesson the site visit experience itself constantly helped to highlight.[2]

Finally, with impetus from other lessons learned in the site visits, we anticipated that while absence of data on a particular area might mean that

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2 There are a number of individuals in the Title III institutions who have learned the "right" words, including some sincere people who appear to have used them until they really believe they are adequate expressions of their goals and strategies. We recall vividly, for example, one official who made repeated statements such as "<u>Every single week</u>, when I have the time, I meet with the council," or "I <u>always</u>, unless I have other guests, have a student in my home for the weekend."

area simply wasn't important, that absence could also be of great significance. There were several campuses, for example, where very few inferences could be drawn about the role of a key figure: he was not available to the site visitors, and questions were either dodged or responded to with evasive or non-informative answers (later follow-up in some of these instances revealed significant reasons for the silence). Each analyst used, in his intensive review, his check list of hypotheses or factors ("independent variables") to remind him to search the reports and records for all conditions or circumstances believed to have significance in explaining developmental status, and to protect against distraction by, in effect, a particular institution's rationalization of its own amazing excellence.

In the report of findings and interpretations following, conclusions are supported by comparison of developmental groups in terms of tally of factors where possible and reasonable; the findings also are expressed in terms of broader themes that emerged from the review experiences and, in some instances, by anecdotal evidence where such is useful to illustrate something believed to be significant and instructive. In summary, the analyses were not statistical studies of extracted variables, but involved a historical approach, where working hypotheses suggested by the observations were developed for each institution, where a search for supporting evidence was made in terms of the completeness and quality of the evidence, and where the insights acquired were the result of search for distinctive themes differentiating the strong from the vulnerable institutions and communalities among these themes. Effort has been made throughout the discussion of findings following in the next sections to cite the evidences used in drawing the conclusions reported. Still, given the necessary variability of the data and the subjectivity of the analysis process, the findings are best considered not as external truths, but as somewhat refined hypotheses to be put to test by processes of reasoning and further study.

We turn now to the results of this examination. Section B presents the report on the management domain; Section C, the fiscal domain; and Section D, the program domain.

B. Governance, Administration, and General Management Determinants of Effective Development

1. Governance Structure and Functioning

Governing board members were not a priority target for the site visits, principally for practical reasons (e.g., difficulty in contacting them; concern about the propriety of such contact as viewed by the president); but some insights as to potential differences between board functioning at positively developing versus vulnerable institutions were possible from several so[illegible] most [illegible]tant were: president's perceptions of the board role and functioning; the kind[illegible] [illegible]ndas and materials prepared for meetings or reports to the boards; and, of course, the readily available descriptions of the members, the committees, and occasional evidence of particular actions (facilitations and restrictions) by the board or by individual members.

The strong institutions appeared to have boards relatively comfortable with their president, as might have been expected; yet, the same appeared true for the vulnerable institutions. A more subtle but clearly evident difference had to do with indications of board give and take on issues with the president (for the strong institutions), as contrasted with agendas that suggested wide ranging presentations by a variety of administrators or other institutional representatives, frequently followed by or interspersed with entertainment (e.g., the college choir) or social courtesies for the vulnerable institutions. That is, the boards for the strong group appeared to be more frequently involved in substantive interaction with the president on matters requiring decision on important maintenance or developmental matters, while the boards for the vulnerable group appeared more frequently to be simply targets of informational presentations that would elicit a "that's interesting" or "that's good" response, permitting the board to serve a legitimizing function in a pro forma way. Relatedly: the agendas for the strong group more frequently appeared to be concerned with particular problems or vital issues, whereas the agendas for the vulnerable group tended to focus almost entirely on the real or rationalized successes of the institution or its faculty and staff. It was clear in a number of the strong institution situations that the president was more frequently a vitalizing agent for the board than vica versa.

Although both strong and vulnerable groups had institutions that had received Title III funding for board training and/or development activities, the strong institutions more frequently seemed to have had active presidential involvement in or direction of the board member development activities than was true for the vulnerable institutions (the pattern here was one or more workshops by an outside specialist). The strong group board members were equally active in responding to their presidents.

More difficult to interpret, but nevertheless of critical relevance: a number of institutions in the strong group had experienced some visible and dramatic crisis 5 to 7 years earlier (e.g., serious audit discrepancies; significant enrollment decline; heavy debt). The crisis had been sufficient to require the election of a new president. For several other institutions in the strong group that had not experienced obvious crises, a dramatic improvement had also taken place following the appointment of a new president. This finding may suggest that boards are more likely to shore up the dike when the leak is visible and threatening, or when the prior president is no longer available to provide his apologia pro vita sua. But, from all evidence, we suspect the clarity of priorities for the new president, or simply a fresh perspective in such instances, may have been the more important factor. There was at least one instance in the vulnerable group where crises had continued through a rapid succession of several presidents over the last ten years.

The majority of the institutions in both the strong and vulnerable criterion groups were church-related, and consequently, their boards included religious leaders. The trend, in both (strong and vulnerable) groups, was toward a more varied and eclectic board membership, with emphasis on adding local or national business leaders to the board. Where the clerical element currently appeared ascendant, the institution more frequently appeared in the vulnerable category; where there was active involvement of business leaders or other professionals (as evidenced by committee participation, faithfulness in attendance, and giving or soliciting funds) the institution was more likely to fall in the strong group. In all instances, the business representatives appeared to have more substantive opportunities for encouraging gifts than did the church representatives. One institution in the vulnerable group, unlike most of the others in the entire case study sample, did obtain a substantial (more than one-fourth) portion of its revenue from church sources (although in earlier years the portion had been even greater). We suspected that this substantial

church support may have impacted negatively on the institution by deterring development of alternate sources of support: in spite of the trend of decline, the president and minister-dominated board were focusing almost exclusively on church sources for renewed and expanded support, without success.

The stable or mixed criterion groups contained most of the public institutions. Public institutions in the mixed group with boards taking active responsibility in soliciting non-public sources for funds had more frequently received positive ratings in the management and fiscal development sectors than those rated neutral or negative. Of greater importance for the public institutions, however, was the political context in which the boards operated. In some cases, the boards rather clearly perceived their loyalty to be more to the state than to the institution, and were more likely to support their perception of public needs than the institution's perception of its developmental or maintenance needs. Involvement of public institution board members in the month-to-month affairs of the institution, or interaction of the president with board members in a give and take mode (with the possible exception of the community colleges) appeared less frequent than for the private institutions. Indeed, a number of the presidents in public institutions rated positively in the fiscal and/or management areas appeared to take as much time in active and direct lobby with public budget authorities above or outside the boards as with the boards themselves; sometimes this was carried off well, but sometimes small evidences of friction, or engendered antagonism, were apparent. It was clear that the public boards more frequently considered themselves the <u>controllers</u> of development, with responsibility for <u>allocating available state or community resources</u> in ways considered efficient and prudent, while the private boards were more frequently the <u>proponents</u> of development, by actively working with the president to expand in the directions he recommended through <u>participating in or supporting new resource development</u>.

The characteristic posture of many public boards has subtle but real implications for institutional development. For example, those public institution boards representing a system rather than a single institution quite frequently assumed a major role in deciding what new programs could be developed and where they could be offered, with more regard to a perception of public need and political considerations than to particular institutional aspiration or developmentally sound recommendation. The public boards were also more likely to set restrictions on what institutions felt were required for effective

development, through such mechanisms as state purchasing policy, salary scales and staffing quotas, or allocation of particular new program to another institution. In most instances, the restrictive mechanisms appeared to be well-conceived, executed, and ultimately protective; in other instances, where political pressures and influences appeared dominant (or where the boards were relatively inactive), the restrictive mechanisms may have hampered positive and creative development. Finally, we should note that the general political climate and the fiscal condition of the state affect the board-institution relationship. In at least one state represented, the governor had made educational support by the private sector a major theme, with new resources from concerted effort by that governor and his staff coming available to the institutions. The governor of another state was pressing for a 25 percent increase in the general education budget; in a number of other states, declining revenues had not only deterred new development, but also seemed to place some existing successful programs in some jeopardy.

In summary: the strong institutions appear from the study perspectives to have active boards who have, by chance or wisdom, selected a competent president; the president, in turn, not only attends to institutional problems on his own or at board direction, but assumes an active role in further mobilizing and fine tuning the board to assist him in funding and otherwise selling the institution, and in establishing policy which gives him reasonable freedom in which to operate (e.g., to establish whatever management information systems he feels he needs; to select his management team; to develop quality control mechanisms; to choose among alternative development options, and to recommend with an assurance of acceptance).

2. <u>The Centrality of the President in Institutional Development</u>

There is probably no point of focus where contrasts in factors associated with developmental success are so apparent and consistent as in the image and functioning of the chief administrative officer. And, this characteristic style of functioning was more distinctive for the strong institutions than the particular problems the campus faced. The strong institutions also frequently had problems of one sort or another, but as a function of presidential leadership were attacking these challenges successfully, or finding ways around them.

<u>The presidents of the strong institutions all seemed to put a first priority in their personal activity on matters concerned with revenue</u>

generation, and wasted little time in pursuing blind alleys or sources with declining support trends. One president, in office almost a decade, said: "When I came, I stated that I would devote two days a week to fund raising activity, and that the necessity of this investment of time would need to be understood; I got approval, and my two days on the road became routine." Another president won approval for the appointment of a provost to handle some day-to-day responsibilities, relieving her to put more time on support development. In these cases, as for the presidents of the other strong institutions, fund raising activities and strategies varied: most appeared to divide time among mobilizing their board members to assist; contacting potential donors; revitalizing marketing, developing recruitment and admissions programs; supporting faculty development toward grant-getting; lobbying with state or local budget authority (and, in at least one instance, vigorous lobbying with the Congress toward removing "graduation" requirements from Title III legislation); or, in taking an active part in directing appeals to Title III or to foundations. The presidents of the vulnerable institutions, on the other hand, were putting either little time on funds generation, or inordinate time on poor sources (e.g., "the (sponsoring) church thinks we will find a way to support anyone they send; we're telling them that it's their responsibility to support students they send us"; the churches in this instance were apparently having their own fiscal problems, and overall revenue from church sources was in steady decline at this institution.)

One president, in his annual message to his trustees, recognized that they were not individuals of affluence, and after citing the current fiscal problems asked them to "give $1000 to the college If you can't give $1000, give $500, $200, or even $100." The point: most presidents professed concern with fiscal problems and reported or exhibited activity devoted to fund raising. What they did differed, however, in quality and quantity.

The presidents of the strong institutions appeared to have started their tenure with a specific agenda of developmental priorities of their own, whether they inherited a campus in crisis or in reasonably good shape (both situations were represented in the strong group). In addition, these priorities were expressed in measurable terms within a particular time frame: e.g., to build endowment by $500,000 in 5 years; to get accounting systems capable of producing monthly reviews of fiscal status by the start of the next budget year; to increase

enrollment by 5 percent per year for the next 3 years; to rebuild a provincial faculty by increasing the proportion with terminal degrees to 50 percent in 5 years; etc.

The establishment of priorities in measurable terms, however, appeared on more intensive examination to be but the tip of a larger iceberg. The establishment of priorities in every case appeared to signal a deeper concern by the president with formal long-range planning. In some instances, this was a posture brought to the institution by a new president; in others, the initiation of a long-range planning emphasis was attributed to a vigorous faculty self-study or to a persuasive accrediting review recommendation. But the strong institutions, in sharp contrast to the vulnerable institutions, had a tradition or at least 5 years' standing of concern with what the institution would and could be like <u>beyond</u> the following year. They also had a tradition of strong presidential leadership in the process, with or without faculty involvement.

Presidents of the strong group, although concerned with immediate impact of changes in terms of measurable results, also tended to plan with greater attention to long-term consequences than to immediate impact. That is, they were, in effect, architects who looked beyond immediate results of particular actions to the long-term and varied effects those results could have on the institution.

While a developmental activity would have its own objectives that consumed its director (e.g., a basic skills program concerned with improving writing ability), the president's goals were broader. For example, the director of a basic skills program was devoted to improving the reading and writing skills of entering freshmen assigned; his president was concerned with using that activity to promote a broader attention by the faculty in general to this need, and did so by attracting some key faculty to service in the program, rather than relegating it entirely to remedial specialists. The director evaluated program success in terms of student improvement as measured by test-retest; the president evaluated program success in terms of the excitement of accomplishment that key faculty, formerly above such maudlin chores, manifested and for the new emphases he felt they carried back into their regular teaching assignment.

Many other instructive examples were found. One president, as he capitalized on Title III options to help in the development of several glamorous new

programs with vocational implications (e.g., mass communications and media), made special effort through other (foundation) sources to obtain special grants for the more traditional humanities areas. These were not areas, he felt, that needed strengthening; rather, the president felt his traditional faculty should not be upstaged by newcomers involved in Title III program development, and should know that he valued their areas and potential as well. Another president set a program of personal counseling in motion in such a way as to gradually entrap faculty in its activities. It was his way, he confided, in dealing with a tough faculty that believed rigor and quality were synonymous with a 60 percent attrition rate, whatever the quality of the entering class; the president's goal was the reduction of attrition by getting faculty more actively involved in individual attention to students. The strategy included the development of a career counseling/education program, putting a professional counselor and a number of faculty in place to deal with students on a one-to-one basis. Presidential endorsement and continuing attention insured its status.

The presidents of the strong institutions also stood out as the primary decision makers where continuing structural changes were involved. Development is a proposition, it would seem, where clear decisions must be made among tough alternatives: in the program area, new departments may be created, old ones phased out; adding staff or computational equipment may erode funds that could be used for faculty raises. A college is a collection of vested interests in program and service areas; where resources are scarce, as they were in most of the situations examined, the various program and service areas are competing. The strong institutions were distinguished by presidents who took a firm posture in resolving competing interests by designating at regular decision points the developmental options for investment, and in prescribing the terms on which they must proceed. One highly respected president of a private 4-year institution put it this way: "I make the decisions; the role of the faculty is to advise... The faculty are the responsibility of the Vice President for Academic Affairs, and the board is my arena; we don't invade each other's turf." Another president--incidentally, a successful authoritarian following a democratic president whose tenure had proved, by campus report, to be troublesome and ineffective--commissioned department heads and faculty to engage in a planning process ("to make recommendations, not decisions"), but built into the formal process such standard items as reports and projections of numbers of students involved or to be involved, faculty required, total and per student

costs, and revenue to be generated. The response of the faculty was positive: the three site visitors separately commented that this was one of the most exciting and attractive institutions visited. And, though under private control and continuing to target low-income students, the institution's unrestricted current fund balance had increased consistently over the years following installation of the planning process.

The presidents of the vulnerable institutions did not appear to be particularly forceful as decisionmakers. They depended on their charisma, or on-the-spot wisdom, or assertiveness--not planfulness--to carry them through. Some seemed to sit back and rely on momentum and the democratic or collegial process, with faculty setting the rules for the debate. Some were characteristically indecisive, or wallowing in dilemmas. For example, one president reported concern with faculty opposition from the old guard in some traditional but sharply declining liberal arts areas because of the addition of a new business program attracting a significant proportion of students. Though verbally supporting the new program and the traditional programs, he had continually failed at budget time to recognize the real needs of the new program for staff, space, and equipment. Such action would risk rebellion of his key faculty. The result was that the new program had sustained a steady turnover in able department heads, and was substantially understaffed given the numbers of students enrolled. Yet, the old guard protest continued with increased vigor as the business department increasingly eroded numbers of students in traditional majors!

<u>The presidents of the strong institutions showed a remarkable ability not only to see and state things as they are, but also to focus on the challenge of changing negative aspects and making that change the positive goal</u>. One institution, always open-door, became more publicly so, with the president setting in motion a campaign to restructure lower division courses to recognize and deal realistically and practically with entering freshmen operating on the average at the eighth- or ninth-grade level. One strategy was to declare remedial activity as credit activity, thus generating support through tuition; for the restructuring of freshman curriculum involved, the mandate was to make the work academically acceptable and to demonstrate impact through before-after testing. But the president's goal was to get the students to the equivalent of the tenth-grade level. To achieve this, he insisted, would require the highest quality of concern and instruction. The role of this

president in hammering away at what he called the "reality principle"--a matter of stating "this is our mission, these are our students, and this is what we've got to do," left no room for complaint of lowering standards by watering down the program. The presidents of the vulnerable institutions tended to visualize the campus only as the mission statements in the catalogs defined them, with the statements more a matter of motherhood and apple pie than reasonable objectives that could be measurably obtained. These presidents tended to put more emphasis on explaining what the college is now and how it got there than on directions for change.

The presidents of the strong institutions tended to have well-structured agendas for on- or off-campus activity, to know where they would be, and to be purposeful toward overall interests in what they did with their time. The presidents of the vulnerable institutions, on the other hand, were more easily distracted. Some were soft touches for any civic club needing a last-minute luncheon speaker. One president, to assure personal attention to all correspondence, opened his mail personally, but usually only when he got around to it (embarrassing the development office by not finding a $50,000 check from an alumnus until six months after receipt). Some were notorious for forgetting appointments, or in arriving an hour or two late for meetings he or she would chair. All of the presidents seemed to feel that whatever they spent their time on was important for the institution; for the effective group, this appeared well-founded, but for the ineffective group this appeared to be rationalized.

<u>The presidents of the strong institutions tended to concern themselves with the big picture, and delegate most operational and maintenance chores</u> (with the single consistent exception being development of new revenue sources). These presidents almost always had selected their own top echelon of officers, to whom responsibilities for most day-to-day operations were delegated.

The vulnerable institution presidents frequently got involved in the nitty-gritty. This passion for the mundane took many forms, some quite subtle. One president had spent considerable time his second year in office drafting a personnel manual; another insisted on a personal conference with each student whose account was in arrears, a chore taking a considerable amount of his time. On the subtle side, one president required that he decide almost any day-to-day problem confronting his senior administrative staff; to each problem, he would then characteristically respond, "What would you advise me to do?"

He then purportedly accepted the advice without fail. There were always "good" reasons given for such involvement, but they appeared to the site visitors to be more rationalized than real, or they were detected by faculty and staff as ineffective. For example, one new Ph.D. faculty member in a diverse disciplinary area teaching courses well outside his special interest area was asked why he had taken the assignment. He replied that the president, who didn't know how to recruit but insisted on doing it himself, had placed an ad in a metropolitan newspaper, and had offered him the job sight unseen, by phone, when he responded. He had taken it to support himself while continuing his job search. That faculty, we noted, had been marked by considerable turnover.

3. Administrative Staff and Their Operation

Although the size and composition of the administrative staffs tended to be associated with institutional size, the most signal characteristic distinguishing administrative staff for the strong institutions from those at the vulnerable institutions was the placement of operational management responsibilities in the hands of a relatively few key people. The strong institutions had resisted burgeoning ranks of administrators, even where Title III may have permitted it. Similarly, the most effective president's councils appeared to be those with five or six strong members who worked well together and met regularly with the president (though there may have also been larger pro forma groups convened less frequently by the president or by one of the administrative officers). Several of the presidents of the strong group reported taking special action to reduce the numbers of administrators reporting regularly and directly to them. At several of the vulnerable institutions, the number of administrative staff approached the number of faculty; in such cases, the numbers of administrators reporting directly to the president also appeared to be elevated. There were no clear signs, however, that Title III had had a direct role in increasing administrative staffs unduly; the phenomena seemed more directly related to proliferation of management in general.

The strong institutions were almost uniform in having two particular senior administrators beyond the presidents who were effective developmental agents as well as were effective in their areas of responsibility. These were typically the chief academic officer and the chief fiscal officer. Greater variability in competence, energy, and ascendancy in institutional management could apparently be tolerated in the areas of student affairs, development and

public relations, institutional research, and other deans (of schools) and department heads.

With regard to the chief academic officers at the strong institutions, these were the individuals charged with operating the academic program and maintaining productivity and morale among the faculty. In this role, they presided relatively impartially over the teaching faculty and the academic/technical programs; they were responsible for maintenance of qualitative standards, and were generally perceived as able spokespersons for the faculty and fair reconcilers in academic debate. However, as a group, they were more than this traditional officer over the past few years. They had much to do with expanding the concept and the availability of various forms of faculty development, and--particularly germane to this group of institutions--had creative roles in reviewing and expanding the academic/technical offerings. They were, however, on the "side" of institutional development more than on the side of traditional faculty values or expectations, and thus they played an important role in raising faculty consciousness to new values, new (sometimes controversial career-oriented) program offerings, and new student populations. Yet, they were still the formulators and guardians of "academic quality," and tended to be respected for this by all thriving segments of their academic community.

With regard to the role of the chief fiscal officers in development, the evidence suggests some variability, dependent on the role the president assumes in fiscal affairs. The characteristic that chief fiscal officers at the strong institutions have in common appears to be effective budget tending and timely accounting, and maintenance of controls as necessary for smooth operation and avoidance of audit exceptions. Though investment and business enterprise is more frequently a board or president activity in the strong institutions, a few chief fiscal officers played key roles in advising or operating in this area; but all in this group are concerned principally with the proper use of, and timely accounting for, fiscal resources.

The effective chief student affairs officer appears to be someone, at the strong institutions, who keeps student life problems from becoming obtrusive. The development officers at the strong institutions tend to operate as managers of such routine activities as alumni campaign fund drive organizers; in effect, they serve as staff for the presidents who assume fund development as their personal domain. In this connection, it should be observed that selling the

kinds of institutions involved in this study to regular or new constituencies is not generally a matter of requesting support to sustain clearly visible strengths or uniqueness. Rather, it is a proposition of encouraging an act of faith in what the institution may be able to accomplish with additional resources, or in keeping it and its missionary quest alive.

There is some considerable variability in the role of directors of management information systems or institutional research per se, though the strong institution presidents have various mechanisms for keeping themselves informed. Some presidents are remarkably intuitive, drawing basic conclusions from conversation and observation; others are more structured and systematic, and rely heavily on specially generated data. At all institutions, any institutional research function that was prompted or permitted by soft money opportunity tended to be the first victim of funding changes--unless the activity was established to address particular questions with which the president himself was concerned. For the presidents of the strong institutions, this meant information on cost efficiency, student markets, or other detail helpful in funds generation or funds management. Institutional research functions also tended to be displaced when the institutions achieved a good MIS or PME/MIS system. The MIS systems seemed more resistant to termination with loss of funds, whatever their degree of success, probably because dropping them seemed an obvious step backward, and because many provided operational services as well as or in addition to data for planning or decision making, or institutional research as traditionally defined.

Most of the strong institutions had achieved efficient and timely management information systems or procedures, and were assuring that all individuals with a need to know were kept informed. Although, as noted, some presidents at the strong institutions relied more on intuition than monthly data, several noted that the major impact of Title III had been its emphasis on the need to plan, which had been suggested, facilitated, or enforced by requiring PME developmental activity. In this regard, it should be noted that the strong institutions quite frequently adopted Title III requirements for specification of process events and dates, and monitoring of accomplishment, as useful management tools for application to all institutional activity.

The roles of the Title III coordinators were examined with particular care. We were mindful that many of the incumbents in this position are or had been fully funded by Title III, and are considered by Title III program staff

as the Government's representative on campus not only to assure that expenditures are allowable and funds are properly accounted for, but also to assume some role in prescribing appropriate priorities for development. At the strong institutions, the majority appeared to perform clearly staff, as opposed to line, functions: they coordinated, that is, they oversaw proposal production (with inputs decided elsewhere), prepared procedures manuals, monitored expenditures, handled pro forma reports to Washington, and represented the institutions at Title III technical assistance meetings. However, the presidents or a senior delegate (usually the chief academic officer) of the strong institutions generally also had had personal interactive contact with senior Title III staff in Washington and, as the burden of the findings reported so far would indicate, served as the developmental architects for the institutions. In other words, Title III coordinators at these institutions carried out the expected functions of their role as coordinators, sometimes within larger roles concerned with planning, development, evaluation, research, or the like that assured their permanency at the institution if Title III funds ceased.

It should also be noted that whatever the role played, the Title III coordinators at the strong institutions appeared secure--due either to continuing approval, or to gradual movement in responsibility to some ultimately useful permanent role. This was decidedly not the case at the vulnerable institutions or at many of those in the neutral or mixed categories, where the Title III coordinators associated their job security with the probability of continued Title III funding, but recognized they could not carry this ball by themselves, or did so as a function of a weak or lethargic administration. Finally, the Title III coordinators at the strong institutions were not carryovers from previous management teams but, like other administrators, appointees of the current president. They also reported directly to him or her, and were convincingly positive about the president's performance in his role, and secure in his or her support of theirs. They knew where they stood, were happy about this, and appeared free to invest energy in their own tasks, however defined and structured.

4. Use of Consultants

Consultants--operating as individuals with various specializations, as representatives of assisting agencies, or as external evaluators, have long been part of the Title III scene. In spite of recent de-emphases in the roles

to be played by external agents responsible under contract to the institutions, it is relevant to examine the strong versus the vulnerable institutions in this regard.

Site visitors frequently collected copies of reports prepared by external agents, and in a number of instances crossed paths with and interviewed their representatives. The strong institutions used external agencies in a variety of ways and in differing degrees of intensity, as did the vulnerable institutions; yet, several differences appeared to emerge. The strong institutions, if relying heavily on consultants, seemed to take the assistance more seriously, to involve their staff actively (rather than to charge the consultants with designing something and delivering it, or to provide without institutional direction their own agendas for interacting with faculty and staff), to be more selective in choosing outside assistance agents, and constantly evaluative if retaining the agent for continued assistance.

The vulnerable institutions frequently blamed an activity that had failed and been abandoned on poor treatment or advice by an external agent; the strong institutions had replaced such agents quickly, or had taken over the activity themselves. And, interestingly, the reports of the external evaluators for the strong institutions tended to be more frequently critical (though usually constructively so) than were those for the vulnerable institutions. (It is suspected that two factors account for this: first, the institutions experiencing honest positive movement were less likely to be threatened by negative report; second, some external agents saw their prime purpose as attesting positive progress for the institution to use in the next year's funding appeal, and feared dismissal if such were not provided.) The strong institutions more frequently used representatives of other institutions or well-established multi-purpose agencies than the many small groups specializing solely in Title III activity. The strong institutions used senior professional staff from the regional accrediting agency, a distinguished professor operating in an area of interest, or a firm with a broader national reputation. We believe, too, that these institutions used the external agents more frequently where specific help was really needed and where that need was clearly recognized by the president or activity director prior to the agent's involvement; the vulnerable institutions were more docile, following patterns they perceived to be required, or had difficulties recognizing where help was needed. The best source of identification appeared, in the strong institutions where

this was pursued or volunteered, to come from contacting respected colleagues or counterparts in other institutions that had used an agent for a similar job; and, the president was frequently involved in the selection.

Finally, we could not help but note that the vulnerable institutions appeared to be easier targets for the many hucksters that exist, and less likely to question costs if the pitch sounded good. One institution had invested an amount equivalent to $500 per FTE student in a single year with several accounting firms, in an attempt, still not fruitful, to initiate some rather straightforward bookkeeping systems that would afford monthly status reports and pass audit. Yet, there were signs of growth. At the same institution, which incidentally had not been refunded in FY 1982, a site visitor's interview was interrupted by a telephone offer to write a winning Title III proposal for a fee of $30,000 (it was not accepted; "We get these calls all the time, and we learned the hard way that it's a high-risk proposition."). In short: problems with assisting agents were apparently not procedural (e.g., compliance with the competitive bid process), but in determining whether real need existed, in using the agents for these needs rather than simply for compliance with Title III requirements, in identifying a capable party, in maximizing relevant staff or faculty interaction, and in culling out ineffective relationships quickly.

5. Institutional Posture with Regard to Purpose of Title III

At the strong institutions, there seemed to be an anticipation from the time work on the Title III application began that the federal funds would be ephemeral--even at those institutions where presidents were openly critical of any notion that the institution must graduate eventually from the program. Activities were so constituted from the start that investment dollars bought something that the institution could keep when funds expired, or that would not leave it in serious jeopardy if funds were prematurely lost. The presidents of these institutions seemed to have a clear scheme for determining what functions could be continued after funding ceased, what would be done with staff covered by grant funds, and how this could be accomplished. Institutional budgets for successive years were typically based on assured funds, with a separate and more speculative budget for any soft additional funds expected for a particular time period. On the other hand, there appeared to be uncertainty at the vulnerable institutions as to what would happen when the grant expired.

There also appeared to be greater and more critical dependence on the Title III funds for day-to-day continuance at the vulnerable institutions. Across the institutions generally, it was noted that when the Title III proportion of total revenue exceeded 7 to 10 percent, the very survival of the institution frequently seemed to hinge on continuance of Title III support (in two cases, both in the vulnerable group, the proportion exceeded 30 percent in the current or most recent year). This suggests that, whatever the developmental status of an institution, and whatever the regulations concerning developmental as opposed to operational application, there is a point where either there is too much development activity to be effectively absorbed in succeeding fiscal years, or where developmental funds can only be used for continuing operation by some overt or covert means.

The smooth transition from the developmental to the operational stage is exemplified by one of the institutions in the strong group. The institution had won a single 5-year grant, and found at the end that they had grown out of the eligibility range. But, all Title III activities started had been successfully operationalized, all new development staff left after natural attrition had been absorbed, and many good faculty and staff involved in the developmental phases were serving well in operational roles of greater responsibility as a consequence. When asked about the loss of eligibility, the president replied: "We're disappointed; we could use new grant money well. But, we're not hurt. Title III came at the right time, and helped us achieve our goals more quickly. We're excited about what we've accomplished." It was clear that the pronoun was not an editorial "we"; there was a pervasive excitement in all quarters. It was also clear that from the beginning the transition and absorption of developmental activity had been deliberately planned and contrived, that the consequences of cessation of support had been fully anticipated, and that success had been gauged in terms of how much more the institution could accomplish on its own, not how much Federal money it had to spend.

C. Fiscal Determinants of Effective Development

The fiscal health of an institution, or its capability to maintain fiscal viability, is a key component of Title III intent. Stated in the simplest terms, it is a matter of generating needed revenue and controlling expenditures in such a way that the necessary resources for the educational program may be provided, and the educational mission sustained and enhanced. In the

absence of some windfall that provides a substantial financial cushion, it is logical to assume that fiscal health is an outcome of effective fiscal management.

This section describes and illustrates those features of fiscal management that appear to distinguish the strong institutions from the vulnerable institutions, and to be common threads in the fabric of effective development. These management characteristics are discussed in four categories: the role of the president in fiscal management, revenue strategies, fiscal aspects of the institutional development, and fiscal management practices.

1. The Role of the President in Fiscal Management

The presidents of fiscally strong developing institutions were found to take an active and informed role in fiscal management. This role included the following types of involvement:

-- Establishing and clearly articulating fiscal priorities that are congruent with the institution's mission and sense of purpose;
-- Assuring that regular, complete, and accurate statements of fiscal position are available to appropriate decision-makers in a timely fashion;
-- Actively overseeing effective cash management and expense control;
-- Taking visible leadership in fund raising activities; and
-- Working in close coordination with the fiscal management staff.

The contrasts of the institutional groups strongly suggest that fiscal activity and leadership at the presidential level should not take place in the absence of or at the expense of the fiscal management staff. Institutions where the president was the de facto fiscal officer (while fiscal staff played clearly secondary roles) did not tend to distinguish themselves as fiscally strong. Likewise, institutions with competent and effective fiscal managers but disinterested or uninformed presidents also failed to manifest evidence of superior fiscal health. It is apparently the president who understands and gives direction to fiscal management while effectively delegating to and working with fiscal and development staff who is most likely to achieve fiscal objectives. This kind of president has access to timely, well aggregated fiscal data and uses that information to anticipate problems or uncover investment opportunities. He or she works in a collegial manner with fiscal

staff, utilizing them to develop and manage particular fiscal strategies within a clear mission-related framework.

Fiscal management at the strong institutions was more frequently (than at the vulnerable institutions) based on deliberate assumptions about revenue and costs beyond the current budget year. Given a current developmental focus, it is only logical that later operational consequences be anticipated realistically. Good fiscal information permits the monitoring and projection of trends; the interpretation of mission provides a set of values for deciding among alternatives, or establishing the urgency of particular attainment. Most of what is purchased with current year revenue has revenue and cost implications for later years, as well as what it requires and provides now; the presidents at the strong institutions took this matter seriously.

The president's role in fiscal management encompassed both revenue and expense concerns. On the revenue side, presidential leadership and personal involvement were particularly important for success in fund raising. In private schools, this entailed generation of support from alumni, businesses, and community sources. For public schools, the key appeared to be sufficient political acumen to cultivate and market the state, county, and district jurisdictions that determine appropriations levels. Development offices in the sample institutions, even where well organized and staffed, were found to complement but never replace the crucial role of the president in fund raising. At the strong institutions, the president was the prime salesperson, and the development office, when in place, took on the more routine back-up chores--preparation of solicitation materials, management of giving campaigns, records maintenance, and (sometimes) identification of prospective new donors.

On the expense side, the establishment of mission-related priorities and timely monitoring of cash flow and expense patterns were activities that were shared by presidents and fiscal staff in the strong or effectively developing institutions. These functions are logically clear offshoots of good planning and institutional monitoring, processes in which the president's role is critical.

In one highly rated institution that was on the brink of insolvency nine years ago, a new president placed such immediate priority on fiscal control and restoration of credit status in the community that he personally reviewed every purchase order, however small and routine. While not a recommended practice in general, this temporary intervention was a manifestation of a

visible, appropriate and, in this case, necessary presidential hand in expense control, and served to demonstrate the importance of expenditure control to the campus community.

These presidential characteristics may be summarized as a sort of "conservative entrepreneurship." The status of most developing institutions requires a rather hard-nosed fiscal conservatism, especially in terms of cost control and contingency planning for potential adversity. At the same time, entrepreneurship, especially on the revenue side, may also be a competitive necessity. The presidents of the strong institutions seemed able to combine these roles and take appropriate action.

At many institutions ranked by the study team in the neutral category, management staff had a sense of what had to be done but lacked clear presidential direction toward making the hard decisions or taking the necessary steps to address identified opportunities. Often this was due to recent leadership transition and there was reason to believe that more decisive direction was at hand. Presidents at the vulnerable institutions often complained that there were no funds to do the things that needed to be done but, at the same time, they were frequently unable to clearly articulate what steps were, in fact, necessary. In many of these cases, the lack of an effective planning process left a contextual void for decision making.

The importance of presidential leadership was particularly evident in institutions recovering from periods of severe distress, a circumstance that characterized many schools in the sample. Virtually all such schools had changed presidents prior to their turnarounds. The dynamics of recovery were widely attributed to the new presidential leadership in all these cases. The external perception of site visitors that presidential leadership is a key determinant of institutional success was thus strongly confirmed by the testimony of internal observers.

2. Revenue Strategies

For most developing institutions, the major revenue sources are tuition, appropriations (public), government grants and contracts, and private gifts (private). Each of these sources must be cultivated and managed. In fiscally strong institutions, the process for acquiring needed revenue was planned and proactive. Fiscally weak institutions tended to be more reactive. It was common for management of the most fiscally vulnerable institutions to argue that they had no choice but to adopt a "survival" strategy, an approach

characterized by crisis management and response to external factors, most of which were negative. Interestingly, however, most of the fiscally strong institutions had faced similar periods of high vulnerability in the recent past. What distinguished their turnarounds was active, mission-oriented planning, definition of distinctive competencies, development of forward-looking revenue strategies to achieve institutional objectives. Often real retrenchment was necessary but it was planned retrenchment keyed to realistic objectives in contrast to a cycle of cutbacks borne simply of necessity. Few Title III-eligible institutions avoid the necessity of managing adversity. In overly simplistic terms, the vulnerable institutions appeared to respond to limited resources with despair while the stronger institutions appeared to respond with hope. The strongest, however, appeared to respond also with deliberate action.

Most of the institutions in the sample profess a commitment to low tuition; yet, tuition income, particularly for the private institutions, has a major revenue impact on their fiscal health. The past and current availability of Federal student assistance funds undoubtedly made tuition increase a temptation for institutions with a large proportion of aid-eligible students. Still, tuition as a revenue source directly depends upon enrollment. For most institutions, enrollment growth (or even stability) must be aggressively managed. This is not primarily a fiscal function but rather a point of synergy between effective program and fiscal health. However, it is a fiscal function (as an input to planning) to define appropriate enrollment plateaus in terms of faculty size, physical plant, and other relatively fixed factors. That is, moving from enrollment level "a" to "b" may be accommodated with minimal cost implications while going from "b" to "c" entails investments that fiscally outweigh the additional tuition or enrollment-linked appropriation income. Strong institutions appear frequently to have some awareness of appropriate enrollment plateaus. Growth is an objective only in that context.

Sample institution data suggests that, in general, a minimum plateau is about 800 students. Median enrollment for all schools in the sample was 1270 FTE.[3] For private institutions it was 900; for public, 2,300. For institutions ranked positively in all domains, average FTE enrollment was 1,500. The

[3] All data are based on FY 1981 information. See Tables IV.1 and IV.2 for additional detail.

single public institution so rated had an enrollment of 1,540 but, significantly, the average for the strong group of private institutions was 1,470, 60 percent above the median of 900. In fact, only one of these institutions had an enrollment level below that median. By contrast, six of eight private schools ranked weak in all domains were below the 800 level in FTE enrollment.

In a competitive market, strong institutions were those that had been able to define an appropriate niche. Defining potential student market(s) and targeting recruiting in those markets were aspects of proactive management with important fiscal implications. Failure was likely to result in enrollment decline. Such decline, particularly if it continued over several years, usually led to reduced revenues, inefficient facility use, and faculty or staff cuts. Such losses are fatal in an environment where motivation must often substitute for more tangible rewards and benefits as an incentive for staff performance. In extreme cases, some institutions appear to have lost their identity and even their "will to live." In one instance, for example, the president indicated that unless turnaround could be effected in two more years, a recommendation for closing the institution would be made to the board. In another case, an institution appeared to be faced with so much deferred maintenance that no reason for optimism could be found, and site visitors were struck by the pall of apathy that hung over all contacts.

For public institutions in the sample, state, county, and district appropriations represented the largest source of revenue, typically ranging from 60 to 80 percent of the total. Formally or informally, the level of these appropriations is often keyed to some concept of or formula for determining fiscal need, resulting in much less differentiation among public institutions than among private ones on the basis of fiscal indicators. No public institution fell into the fiscally vulnerable group and only two were characterized as fiscally strong. Political jurisdictions tended to "bail out" financially weak public institutions. Financially strong public colleges were found to manage or manipulate their fiscal affairs in such a way that fiscal cushions did not manifest themselves in financial reports lest public assistance be reduced accordingly, and underspending a budget appeared to be as much a cardinal sin as overspending it. (In one public community college, the president confided that a prime factor in some last minute spending of what would have been a comfortable surplus was preventing that "profitability" from undermining a concerted drive for an increase in revenue from the county

tax-base.) Moreover, trends in public support have typically moved toward stringency in the last few years, numbing the impact of previously successful development efforts at some institutions. This stringency has been manifested by state funding "prorations" of as much as 5 percent at several schools. These cuts seemed to have led, in turn, to reductions in staff salaries and, consequently, morale.

Nonetheless, it is clear that those public institutions with the most fiscal flexibility attained that margin of difference by astute cultivation of political support. As noted earlier, this was largely a presidential function performed personally or, in some cases, by orchestrating the involvement of key board members in the process. In a few public institutions, community and foundation support was being cultivated more actively to reduce dependence on the vagaries of public funding sources. But in no case had such private support become more than 2 percent of annual revenue.

Fiscally strong institutions, both public and private, made good use of government grants and contracts but seemed to walk a careful line that fell short of excessive dependence on this source. Of the nine institutions ranked in the strong category in all domains, seven fell in a range of 19 percent to 29 percent in terms of this source as a percentage of all current revenue. The remaining two had a lower dependence.

By contrast, of the five institutions in the entire sample with the highest dependence on government grants and contracts (over 30 percent of total revenue), four ranked in the lowest category in all three domains. For all institutions, the median for this indicator was 16 percent. For fiscally strong institutions, the average was 18 percent and for fiscally weak, 28. A similar pattern prevailed in the percentage of total revenue represented by Title III funds. Fiscally strong institutions averaged 5 percent. The vulnerable institutions averaged a much higher 10 percent on this measure. The median for the entire sample was 4 percent. Very high dependence on soft money was thus strongly associated with fiscal weakness. Moderate dependence on such funds wa associated with fiscal strength. The conclusion to be drawn is that, for most developing institutions in the sample, soft money was an important component of a balanced revenue strategy. Institutions which have become heavily dependent on such support for survival, however, were not characterized by effective development.

For private institutions, the contrasts between the strong and vulnerable groups indicates that aggressive solicitation of private funding is a key element in fiscal health. A wide variety of fund raising strategies were manifested among the fiscally strong institutions in the sample. Common elements were effective planning, market definition, an adequately-staffed development office, and, as noted in earlier sections, active participation of the president.

Because of wide variations in circumstances, actual levels of private giving as a percentage of total revenue was less indicative of the effectiveness of fund raising than the judgments of site visitors as to the role of private revenue in an overall institutional context. For the 31 private institutions in the sample, the median level of private-source revenue (gifts and endowment income) as a percentage of total revenue was 14 percent. Eight of 11 fiscally strong institutions were at the median or higher level. Two of those, however, were beneficiaries of unusual windfalls which rendered them <u>fiscally</u> healthy at the time of the site visits (though neither was also ranked in the strong category in both the management and program domains).

Developing institutions face many barriers to effective private fund raising. Many have served low-income and/or economically depressed minorities too exclusively and too long to have a sizeable number of alumni who are in prime earning years and/or who can provide substantial gifts. Many are in relatively isolated rural areas or in areas with depressed economies where local private support is hard to generate. One highly ranked school, recognizing some years ago that the local farm economy would be characterized by years of lean income, adopted an asset-based fund-raising strategy that was well conceived and developed with Title III assistance.[4] The benefits of this strategy are now beginning to be realized. The quality of this program was clearly linked to the fact that it resulted from deliberate forward planning and was not put precipitously into motion as a response to crisis.

4 Such a strategy utilizes deferred giving techniques to solicit gifts of assets such as land, insurance policies, or testamentary bequests. This contrasts with typical annual giving campaigns that depend on gifts of cash.

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Another institution, located in a rural area with no local businesses of any size, set up an auxiliary development office in the nearest city, 100 miles distant, to cultivate private business sources. This office arranges group meetings of executives to which the president can make presentations, thus economizing on his time for these contacts.

Characterizing most successful development office efforts was the application of computerized information systems to track donors, to increase efficiency of mailings, and to maintain accurate records. In virtually every instance of effective MIS use in the development office, Title III had funded system establishment and, usually, consultant assistance.

Other factors which, in appropriate contexts, have supported fund raising efforts are aggressive cultivation of church-related support, use of prominent "friends" to interface with potential business doners, and aggressive public relations campaigns.

Some institutions kept the development office function separate from or out of contact with the fiscal office. This strategy appeared to be associated with relatively ineffective fund raising. When, by contrast, development staff understood their key role in an institution's overall fiscal direction, they seemed better able to plan and execute a successful development strategy.

The importance of private funding support often transcends its actual level as a portion of revenue. For schools at the margin of financial self-sufficiency, private gifts often provided flexibility for innovation and creativity over which the institution could have optimum control.

3. Fiscal Aspects of Institution Development

Institutional development initiatives have fiscal implications for both revenue and expense sides of a college's financial picture. Revenue implications derive principally from the enrollment potential of new programs or the direct income effects of enhanced fund raising strategies. Expenditures are affected by the cost of new programs, particularly the matching and recurrent costs of activities that are begun with external funding. Detailed discussion of developmental activities for improvement of fiscal management or revenue enhancement at sample institutions will be found in Chapter VII. The comments in this subsection highlight certain key findings with relevance to overall fiscal development.

Strong institutions were characterized by up-front consideration of the fiscal implications of potential activities. That is, regardless of the assumed programmatic merit of a potential activity, a hard-nosed look at its financial viability was an integral part of the decision process. For strong institutions, this generally meant that plans for incorporation of the activity into regular budgets and procedures were developed at the beginning, not left to chance. As a result, these institutions were able to sustain the benefits of productive developmental activities, including staff additions for program operation, with normal institutional resources.

Another distinguishing characteristic of development at stronger institutions was an apparent balance between entrepreneurship and conformity to institutional mission. While there seemed to be a clear market orientation undergirding program development, effective developing institutions did not lose sight of their own distinctiveness. While an overarching sense of purpose has importance beyond fiscal considerations, the fiscal implications appear to be more direct than are generally recognized. Unbounded grantsmanship may have led or permitted some institutions to become top heavy with administrative and program management staff that had imposed or could impose a serious fiscal burden with diminishing external funding.

This problem can also occur for institutions holding the view articulated by one president that Title III is an investment in "low status" activities to bring them to the point where they might be eligible for grants from a different source on the basis of excellence. In the sample institutions, actual transition from Title III to other <u>external</u> funding for a particular activity was uncommon (although successful activities frequently had multiple support sources during the developmental phase). The risk, obviously, is that activities initiated in this spirit can become financial burdens providing limited benefit for the institution.

Another way to look at the entrepreneurship/mission balance is to see it as effective risk management. Intelligent risk taking is a necessary component of development for any institution. Superior fiscal management is characterized by careful calculation that distinguishes good risks from bad. Important elements in this calculation are information that permits accurate forecasting of fiscal implications and an awareness of environmental factors that may shelter or exacerbate the fiscal risk of new ventures.

Most sample institutions have used soft money for developmental activities designed to strengthen planning, administrative, and fund raising capabilities. The stronger institutions appear to have used external funding to enhance activities or priorities that were already well grounded in existing institutional functions or plans. Thus rooted, the activities achieved maximum impact. These institutions--or, more precisely, their presidents--had a recognition of the need for the products of the activities. The vulnerable group more frequently had had the fiscal development activities pressed upon them as a condition of the grant. Where there was no particular prior recognition of the value of the product--or where its relationship to the planning or monitoring functions was not clear to the planners or monitors--any positive impact of the activity was more difficult to determine, and the activities were likely to be lagging, or to be abandoned after the expiration of the soft money.

4. Fiscal Management Practices

At the level of more specific fiscal management practices, it is possible to identify certain features that are generally shared by the strong institutions. For the most part the mirror image is also true--vulnerable institutions share an absence of these management practices.

The first of these characteristics is the integration of fiscal management with other institutional functions. Several aspects of this holistic approach to fiscal management have been discussed previously, including the president's role and links between budgeting and planning, fiscal management and fund raising, and fiscal affairs and academic functions. A pervasive fiscal awareness is a realistic necessity for developing institutions. An exemplary expression of this occurred at one institution where the admissions director saw herself as part of the fiscal management process. While not losing sight of other aspects of recruitment, she was very conscious (from presidential emphasis) that enrollments translated to critical dollars. It was no surprise that this same institution offered one of the clearest articulations of its student market of any institution in the sample, which permitted visibly effective targeting of its recruiting resources.

At another strong institution, the vice president for fiscal affairs attended Academic Council and faculty meetings. This gave the fiscal officer credibility while making him aware of the substance behind various academic proposals over which he had some budget control.

The fiscally strong institutions were characterized by having effective fiscal data systems that routinely produced accurate monthly accounting of revenue and expenditures, and in many instances, projections of developing trends. Several presidents noted that perhaps the most significant impact of Title III on their institution had been the development of this capability, which facilitated planning for the future as well as control for the present. One commented that he became convinced when a visiting team from a foundation considering investing in the institution asked for some special analyses of current fiscal status, which the Title III-developed system was able to produce almost overnight. The quick responsiveness made believers in the institution out of the foundation agents, and their award made the president a believer in maintaining good fiscal data systems.

Stronger institutions had predictably competent fiscal staff with minimal turnover in recent years. By contrast, two of the institutions in the vulnerable category had had five business managers in as many years. While these are extreme cases, many sample institutions found it difficult to attract and retain good senior fiscal management due to low salaries and difficult working conditions.

In the strong institutions, fiscal staff had close working relationships with the president and with other administrative officers. They were part of a participatory planning process in which commitment to a shared mission was developed and teamwork was practiced under strong presidential leadership. In practice, these processes were reflected in various ways:

- While student accounts receivable were a problem for both strong and vulnerable institutions, the stronger ones had greater awareness of the problem and definitive strategies to address it. The firmness of these measures varied depending upon how the institution interpreted its mission to students from low-income backgrounds who were behind on payments, but a common thread was better information and more timely billing procedures.

- Retrenchment was necessary in both strong and vulnerable institutions but the atmosphere varied greatly. The vulnerable institutions saw retrenchment as response to crisis and seemed controlled by events; strong institutions saw retrenchment as opportunity and controlled it to their ultimate benefit.

- Stronger institutions had good and timely accounting information routinely available to decision makers in appropriate form. Also, every individual with budget responsibility for a program or activity appeared to know the current fiscal status of that enterprise. Weaker institutions had accounting and information system problems

which rendered accurate assessment of fiscal status difficult. In this regard, surprisingly few institutions produced computerized reports that were used by presidents. This reflected both a lack of demand for this information and an inability to supply it in usefully aggregated form.

- The more vulnerable institutions had deteriorating physical plants, a legacy of a historic policy of deferred maintenance.

- Stronger institutions had strong community recognition, as manifest by community participation in the affairs and program of the institution. This appeared to derive from both presidential leadership and effective public relations. This recognition usually translated to financial support in time.

- A unique external source of funding had led, in a couple of cases, to fiscal strength that was not reflected in general program or management strength. By contrast, effective fiscal management was usually associated with positive ratings on the quality of management and programs, as well as with fiscal health.

5. Fiscal Endnotes

Many of the reported findings are logical, and in accord with expectations. There were, however, some surprises worth noting.

While information on this point is somewhat sketchy, there appeared to be little correlation between the role of governing boards and fiscal strength or weakness. Active presidents tended to see their board as a potential resource but there were few cases where it was apparent that boards had made substantive contributions and these cases were not necessarily linked to fiscal health.

There was no apparent correlation between fiscal strength and level of expenditure for instructional expense whether measured on a per student basis or as a percentage of E&G expenditure. As detailed in Table IV.2 institutions ranked both strong and weak ranged widely on these measures although the stronger ones avoided both high and low extremes. While fiscally strong institutions have more discretion in how to utilize resources, part of that discretion may be to run a tight ship in terms of academic expenditures. There are also a number of factors that limit the comparability of these data from institution to institution. For example, several institutions had tenured faculty in declining academic programs, resulting in an upward skewing of data on instructional investment.

It is reasonable to assume that quality of instructional program can be improved by an increasing investment in it. Given the differences in the meaning of the indicators applied across institutions, it would seem important

for each institution to assess itself in terms of year-to-year trends in the proportion of instructional expenditures. Nonetheless, an expected and reasonable association between increasing investment over time in instruction and assessed developmental status did not emerge clearly in the data. This may be a function of several factors: (1) the five-year time period utilized may have been too short for a clear affirmation; (2) with costs of instruction highly related to particular program, and with program mix changing, such monitoring of trends may need to be done at specific program levels; (3) many of the institutions targeted in the sample have not yet established a consistent pattern of spending among various line items, and still face emergencies--as from deferred maintenance--that disrupt short-term expenditure patterns; or (4) the procedures utilized in this study for characterizing quality of academic program were not sufficiently fine to reveal impact of increasing or decreasing investment.

From the perspective of the principal fis l analyst reviewing the data and reporting these findings, it would appear that institutions that utilized soft money primarily to build administrative and fiscal management strengths and then moved to program developm n tended to emerge fiscally stronger than those that invested in program first and moved later to management development activities. This suggests that institutions that built management depth were able to make better decisions about the fiscal implications of program investments.

Fiscal data alone have very limited value as a predictor of future status, however useful they may be as an indicator of present fiscal condition. In part because of the availability of resources such as Title III, effective leadership can quickly reverse a declining situation while poor management can dissipate competitive disadvantage. The margin of excellence for the future resides in the resource of leadership and only secondarily in the resource of financial assets.

Data related to selected fiscal indicators are summarized in Table IV.1 (for the entire sample of 51 institutions), and in Table IV.2 for the private institutions in the strong vs. vulnerable classifications.

D. Academic and Support Program

1. Introductory Statement

Findings reported in this section are based, generally, on the contrasts between 15 institutions rated as "strong" on the current status of

Table IV.1

Characteristics of Sample Institutions on Selected 1981 Data Distributions

	FTE Enrollment (1981)			Ratio: Government Grants and Contract Revenue/Total Revenue			Ratio: Title III Revenue/Total Revenue			Ratio: Instructional and Academic Support Expense/ Total E & G Expenditures		
	Public	Private	Total	Public	Private	Total	Public	Private	Total	Public	Private	Total
n	8557	3104	8557	.26	.62	.62	.07	.18	.18	.69	.53	.69
le	4664	1526	2394	.22	.29	.26	.05	.09	.07	.59	.45	.53
	2300	900	1267	.12	.20	.16	.02	.05	.04	.55	.38	.40
e	1490	643	681	.07	.09	.08	.02	.04	.02	.43	.29	.32
n	815	106	106	.05	.05	.05	.01	.02	.01	.35	.25	.25

V.1 (continued)

	Ratio: Unexpended Current Fund Balance/ Total E & G Expenditures			Instructional Expense Per FTE Undergraduate			Endowment/Total Revenue		
	Public	Private	Total	Public	Private	Total	Public	Private	Total
	.30	.24	.30	$3960	$3600	$3960	*	.43	*
ile	.13	.09	.11	2240	2050	2050	*	.19	*
	.08	.02	.06	1630	1600	1630	*	.14	*
ile	.01	-.04	-.01	1130	1060	1190	*	.06	*
	-.01	-.36	-.36	83	84	83	*	.03	*

Value too small for significance, or inappropriate.

Table IV.2

Characteristics of Strong (N=8) vs. Vulnerable (N=8) Privately Controlled Institutions on Selected Fiscal Indices

	Enrollment		Ratio: Government Grants/Total Revenue		Ratio: Title III Revenue Total Revenue		Ratio: Instructional and Academic Support Expense/Total E & G Expenditures	
Value	Strong	Vulnerable	Strong	Vulnerable	Strong	Vulnerable	Strong	Vulnerable
aximum	3104	1526	.29	.62	.12	.18	.53	.47
edian	1170	675	.25	.28	.04	.09	.35	.38
inimum	619	106	.05	.11	.02	.05	.27	.25

able IV.2 (continued)

	Ratio: Unexpended Current Fund Balance/Total E & G Expenditures		Instructional Expense Per FTE Undergraduate		Ratio: Private Gifts and Endowment Total Revenue	
Value	Strong	Vulnerable	Strong	Vulnerable	Strong	Vulnerable
aximum	.24	0	$2340	$3600	.19	.24
edian	.07	-.07	1600	1480	.15	.13
inimum	.01	-.36	1020	89	.05	.06

their academic and support programs (9 of which were also rated "strong" in the management and fiscal domains), and 11 institutions rated as "vulnerable" in their academic and support program quality (8 of which were similarly rated in the other two domains).

The principal interest here is with program-related factors associated with effective institutional development, factors that may be causal or contributory and certainly are explanatory or illustrative. At the same time, some or all of these factors may explain effective or quality program development in and of itself, apart from the overall status of the institution. The essential quest here, then, is to search out the major aspects of the situation that explain as well as describe good--or markedly improved--academic and support programs.

Programs do not develop in vacuums, of course, and so it is posited that the entire institutional context contributes and controls in various ways, even in cases where the program, for the time being at least, outdistances fiscal strength or administrative practice. A good and viable program can exist where there is debt or threat or where there is not yet a computerized fiscal accounting system or information system or clearcut long-range planning process, or where there is some administrative disruption because of a change in leadership. This observations leads to another consideration, namely, the ways in which effective programs may in turn contribute to or sustain the overall well-being and development of an institution. Chicken-and-egg and cause-effect arguments aside, there is clearly a need to consider a variety of possible interactions within the total context that will illustrate a necessary long-term synergism required for institution development and survival.

Several underlying principles are suggested as guidelines for making this inquiry and as qualifiers in interpreting these findings. First, the institutional history is as important as the immediate context, at least so far as the program goes. Many of the developing institutions began as something very different from what they had become by 1982, in mission, structure, degree-granting authority, and so on. The facets of progressive growth and change toward current status are thus integral to the emergence or maintenance of currently effective programs and also help to explain the directions taken as well as the forces at work, internal or external. Second, also in relation to broad program history, no assumption is made that institutions in the sample all had demonstrably weak programs at some point in the recent past and that

external assistance made essential improvements possible. Certain sample institutions have had, from the evidence available, strong and viable programs related to their basic missions for many years, but have found ways in more recent years to strengthen, refine, amplify, or update--just as the strongest and most prestigious institutions in the nation have consistently done.

Third, the current inquiry is deeply concerned with the dynamics involved in arriving at good programs: what has the institution done, what decisions have been made, how has current status been accomplished? What have been the tradeoffs, the priorities, the management styles involved? What have been the guiding values and attitudes, the external influences, the internal interactions? What obstacles have been overcome, and how? We are more concerned with the dynamics of change than with particular standards met, e.g., with understanding how faculty quality has been improved rather than with counting numbers of terminal degrees, or with describing program planning priorities rather than with reporting the range of new programs/degrees/majors developed.

Fourth, we believe that synergism within the program domain itself will be important and instructive, that in the best situations program growth occurs that allows benefits of several sorts to be derived or several problems/needs to be met. In short, program expansion for its own sake or in isolation or without clear benefit to the institution is empty and likely counterproductive. An underlying aspect of effective program change related to dynamics and synergism is the development of capabilities that in turn allow the changes that lead to quality. Such capabilities may take several forms, including broad management operations, and likely require a fair amount of time to develop to the point where they can be capitalized on in the refinement of program.

Finally, it is important to define "program" as investigated here. It is essentially the curriculum (its requirements, its options, its breadth and depth) of offerings and degrees/certificates in academic, vocational, professional, or technical areas--as enhanced by (a) the faculty and staff who provide instruction and leadership, (b) the library and related academic resources such as studios, laboratories, audio-visual equipment, and a wide range of facilities, (c) the offerings in basic and developmental studies such as reading, composition, mathematics, and other preparatory skills, and (d) a range of student services including counseling, tutoring, career and placement centers, academic advising, testing, and other opportunities for assisting

students in developing self-direction and the means of succeeding in the curriculum. For our purposes here, we exclude such possible aspects as financial aid, academic records, extracurricular activities and athletics, student government, and so on, all of which may potentially enhance the program but which are beyond the purview of this inquiry.

2. Program Features Associated with Effective Development

a. Leadership in the Program Domain

The 15 institutions with programs judged to be positive/strong have much in common with regard to leadership in the academic arena over a fairly long span of years. Such leadership (defined principally as initiation of program reform or expansion in a major way and at an identified point in time) has been both strong and highly placed. Not surprisingly, perhaps, in view of data reported earlier, it was mainly the presidents who took hold of the program some years ago and provided leadership, organized planning commissions, supervised the change process, got directly involved in major program changes, and followed through with a commitment to being sure that the program reform-change-expansion actually mattered with regard to institutional viability.

As indicated in Table IV.3, the president (or other designated chief administrative officer) has been credited in 13 of the 15 institutions with having spearheaded and supervised program reform or revision. Just as notably, nearly all those presidents have been in their present positions for at least 5 years and many for twice that long. In relation to this, it should be noted that we frequently were told (or read or otherwise ascertained) that most of these institutions had experienced very real and dramatic turnarounds detectable now at the time or within two years of the accession of the current president--in all aspects of the college or university operation, and very clearly in the nature and meaning of the program. Major program thrusts attributed to these presidents include, as of 5-12 years ago, the following: redefinition of liberal education in pragmatic terms, competency-based instruction, career-oriented and preprofessional programs of many sorts, marked strengthening of the science program, basic and developmental skills, overall review of the curriculum, speciality programs, major revisions of existing programs, student services, and instructional services. Each president or other high-level personnel below presidential rank chose his/her own special priorities for getting the renewal process started and focused, but seven presidents are reported to have taken control of everything about the program and to

have provided almost the sole leadership for several years (at 2-year and 4-year schools, public and private).

Table IV.3 also shows a few cases where initiation and early leadership were shared with other high-level personnel or with the faculty in general, and also lists in column 3 other categories of personnel who have had, at least for the past 4 years, major roles in initiating, guiding, and monitoring both general and specific program changes of substance. The positions indicated are not surprising in the least, but they reinforce certain observations of import: first, that these schools have vested in top-level personnel the responsibility for maintaining a viable program and for continuing to work for updating and change; second, that early leadership did not necessarily involve the chief academic officer (in two instances persons in other positions had been asked to provide direction); and third, that the person assigned as Title III Coordinator was in over half the institutions a high-level administrator to begin with--for example, academic dean, vice president, planning director, or research director--who took on program change leadership and whose regular duties meshed well with the responsibility for managing the Title III grant overall.

All site visitor reports and other informational resources were examined in an effort to obtain another perspective on this matter of strong and early emphasis on "attacking the program." Column 4 in Table IV.2 reports a generalized finding on the question of early emphasis (that is, in the years following induction of a new president and/or in the earlier years of Title III assistance--the mid-70s) on the program in focusing institutional effort and in seeking external resources. For the majority of institutions there appears to have been this early focus, not surprising if the conclusions reported earlier in this chapter on presidential leadership and priorities are valid. This is not to say that any of these institutions ignored fiscal crises (quite the contrary), that administrative and management needs were neglected, or that they did not invest internal and external funds in addressing such needs. But it is to say that by and large in institutions with programs judged now to be strong or positive the history includes early attention to what the institution was all about: its program, its raison d'etre. Many presidents took care of debt obligations, began broad planning processes, reorganized, initiated information systems, and the like, but they put priority on getting the academic/technical house in order: obtaining initial accreditation or reaffirmation,

Table IV.3

Aspects of Program Leadership

Institution Number	1 Long-term Leader and Initiator in Program Reform or Expansion	2 Tenure of Long-term Leader	3 Chief Other Leaders For at Least the Recent 4 Years	4 Emphasis on Program in Early Years of Reform or Turnaround (Up to 1979-80)
1	President	1972-82	Executive VP Planner-IR-III	Yes
2	President	1970-82	Planner-Devel-III	Yes
3	President	1975-82	Academic VP	Equal Program & Fiscal
4	President	1978-82	Academic VP	Yes
5	Chief Executive Officer	1975-82	President Academic VP	Yes
6	President	1973-82	Planner-IR-III	Yes
7	President Faculty	1977-82	VP Admin.-III	Yes
8	President	1970-82	Academic VP Planner-III	Likely
9	President	1974-82	Dean	Yes
10	President Exec VP (a team)	1973-82 1974-82	Dean	Yes
11	Acad. Dean-III	1978-82	Faculty	Likely
12	Academic VP VP Research-III	1978-82 1976-82	Deans of Schools	No
13	President	1966-82	Asst.to Pres.-III Dean	?
14	Chancellor Faculty	1964-80	Asst.V.Ch.Acad.-III Deans of Schools	Yes
15	President	1966-82	Exec.Dean-III Board	Likely

Column 2

"1982" means up to time of visit, fall 1982 to spring 1983.

Column 3

IR = Institution Research Director

III = Title III Coordinator

Planner = Director, VP for Planning, etc.

upgrading faculty, attuning the program to the times, and aiming the program at the student populations they were likely to be successful in attracting.

b. The Program Change Process

Generally, the institutions with strong academic and support programs have developed a quite careful, clear, and strong program change process, almost always closely related to institutional (or academic) leadership and planning. Other common characteristics include formal faculty involvement in program planning, the use of multiple external resources, the applications of "lessons learned" in prior program development efforts, and constructive responsiveness to a variety of external influences.

Program change--that is, additions or deletions of majors or program areas and refinements in programs as well as in student services--is recognized as a necessity for broad institutional development and is accomplished through the interworking of these several characteristics. No single pattern or "formula for success" emerged from the data, but each institution evolved a change process that to one degree or another involved the common characteristics cited in a systematic way. In addition, there appears in most instances to be a pervasive underlying "institutional attitude" of openness and collegiality of strong programs, an attitude that may take several years to congeal and that may take different forms on different campuses but that, once in place, permits or encourages: faculty entrepreneurship (individual or departmental); a general and realistic facing of facts; a willingness to explore and experiment within reasonable limits; a willingness to learn from experience, to take advice, and/or to change course; and a disciplined approach to change.

Within the framework of broad institutional planning (where budget and program planning are typically integrated in these institutions), a high priority is assigned to the study of existing programs and services as well as consideration of new program directions. This priority is usually expressed in terms of the assignment of a formal overall program planning team (a feature that is new at most of the sample institutions in the past few years) with experience and authority, or task forces with defined purviews. It may also, however, be expressed in terms of top-level initiative or leadership with a planning group serving more in a review capacity; or a combination approach where the president may pursue one or two particular program areas while an academic cabinet or planning group reviews the rest of the program. An important element of these approaches is that they tend to be <u>institution-</u>

based and are intended to provide a broad view of program change and its many implications; they amount to a good deal more than the role of the typical academic council, although ideas may develop there and such councils may indeed have the final formal word. As more than one president said, in effect, the faculty is vital in so many ways but they do not and cannot manage the institution; that is not their function. It is also clear, however, that this was a battle mightily fought in some of these institutions and that the outcome was not always a pure unanimity on role and purpose of the faculty and the institution. But some consensus did develop.

Regardless of the management/planning approach used, certain essential functions are carried out:

(1) The program of offerings is reviewed in terms of perceived market trends with specific attention to programs or majors attracting decreasing numbers of students and with an eye to adding currently popular academic or career-oriented programs. Depending on institution size and particular needs, this scrutiny may be directed to the entire program, to selected departments, to a given school (as a School of Engineering) or division (e.g., sciences), to the general education requirements of the first two years, or to the needs of nontraditional and continuing education constituencies. Attention may also be given to various levels: courses, majors, programs, and degrees or certificates. The very fact that all these options exist and that choices are made (and priorities set) in an orderly fashion is perceived as a common strength among these institutions. Too, sacred cows or traditional focuses are not exempt from close or even threatening examination. More than one college proposed dropping its English major (though not its required English courses) while others considered phasing out music, social work, or fine arts, or faced the need to combine old majors into new interdisciplinary offerings. Perhaps the greatest overall challenge for the sample as a whole was in redefining the role of liberal education in terms of target populations and modern-day realities and demands. The strong institutions generally met this challenge, without ignoring considerations of academic quality.

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One outstanding practice should be noted. After an early experience of the president's charging task forces with planning the demise of two undersubscribed programs (and then the careful negative response in the final reports, the assignment of probation periods, and subsequent realization that these two programs had become mainstays of the college program)--a formal planning team set up a structured program review process intended to prevent a repetition. The process, which itself took several years to develop into acceptable form, involved reviewing five or six majors/programs per year (starting with the most worrisome); applying strict input and output criteria and assigning levels of value; recommending drop, revise, subsume, probation, offer at night only, or other action; reporting formally to the president. Virtually the entire staff/ faculty gets involved now; studied decisions have been made, including some creative options; several programs are on a show-me probation; and the college community generally feels that this process has proved its value in terms of a careful decision process. This shows that with care some apparent losers may be made winners, or that the problems suggest their own solution in a good climate.

(2) A search for resources is carried out at the same time as ideas emerge for new program developments, typically involving consideration of a range of external resources as well as ways of developing efficiencies internally. For example, one institution decided through careful analysis that the Education program must be continued but that it should shift focus to two new majors (early childhood and special education). A principal strategy was to hire a new director but also to "upgrade" long-time faculty by having one receive a second Masters degree and two others (both with doctorates) take a semester leave for courses and clinicals; thus the institution requested minimal external assistance at the same time that it created (and has had accredited) a new major in early childhood and maintained a flexible faculty who could teach in several areas. Voila! A new major, minimal cost, no disruption, departmental flexibility. For the effectively developing institutions as a whole, it should also be noted that funds are sought from Title III, various foundations, business/industry, consortia, and research or

categorical (non-Title III) government grants--rather than restricting such efforts to Title III--and the record shows that these resources have been used with few exceptions for bona fide program changes rather than for temporary ventures lasting only as long as the assistance.

(3) A positive sort of opportunism is embraced. The institutions with strong programs seem poised to take advantage of new opportunities--and to look for them--a mixed proactive/adaptive approach. One college initiated a major new science program a few years ago because it suddenly perceived its geographic location as a wasted but potentially very valuable resource for a given science area as well as an opportunity for minority students (this program is now fully functional). Another institution virtually entered a renaissance when it studied its program and dwindling enrollment in relation to a very large new industry nearby and began two creative new (and now successful) career programs related to that new industry; in effect this 2-year school decided "if we can't fight them we'll join them." Yet another (private) college created brand new health area programs--and a (public) 4-year college developed a series of 2-year certificate offerings--both after realizing that if they moved decisively they could politely outmaneuver others' plans to develop public institutions or programs in these same disciplines. A final example is the college that became aware that no one in its city (with at least five institutions) could get an evening-only degree. This college now offers several such degree programs (successfully) and is still the only institution doing so. These examples illustrate situations taken advantage of on relatively short notice, a capability that is valued alongside and sometimes assisted by the more long-term overall review and change process. Such short- and long-term efforts are not antithetical, in other words, and strength lies in being able to operate in both modes.

(4) Utilization of consultants, technical assistance, print materials, and the experience of others is an important aspect of the change process. The institutions with strong programs have gone outside for other points of view and other experiences. One institution, for example, was awarded a National Humanities Faculty grant and

used top-drawer visiting scholars to assist in a review of the general education requirements--and as a side benefit began a broad review of instructional methodology which later became a prime focus of accomplished program change. Others utilized outside resources in planning an overall 3-4 year process for total curriculum review; in putting group process to work in effectively involving faculty in the change function; in adjusting to the fact that program review and change are inextricably interdependent with faculty development and attitude; and in providing expertise needed for developing new curricula and instructional methodologies.

(5) Needs analyses and market surveys are undertaken as a formal part of the change process. These are carried out directly with students, dropouts, recent grads, faculty, local or regional employers, the general adult populace, or some combination, using mail, telephone, or interview techniques. Often the main purpose is to get feedback on the quality or utility of existing programs, and just as often to get clues as to new possible areas and the likelihood of successfully placing a large proportion of later graduates. The focus at these institutions is clearly on professional or career programs, at the 2-year or 4-year college levels. Analyses and surveys are much more frequently carried out with regard to a new program possibility or to the question of retaining an existing program than in connection with an entire discipline or the whole curriculum. This is because respondent groups are more likely to provide useful information on discrete career-oriented programs, and also because a focus on individual programs provides a mechanism for looking into nearby competition, employment needs, growth potential of the area, and the overall risk involved in terms of present and future operation, as well as doing the necessary negotiating within and outside the institution.

Specialized practices are undertaken where there is a need to consider cooperative arrangements with other institutions (such as a 3-2 physics-engineering program) or to assess the interests and needs of the lifelong learning constituency in the vicinity. The point apparently now accepted by these institutions is that reliable information is needed and that, in relation to current attitudes and

survival needs, that information should relate to new career-oriented offerings and to the programs and services the constituencies demand. Interestingly, some new areas are perceived as so obvious that program development moves ahead quickly without needs analysis or market surveys; this includes programs such as business administration, computer science, media and communications, remedial and developmental studies, and personal/career counseling.

Beyond the key strategies included in the change process itself, certain major accompaniments to the process should be mentioned. First, these institutions have learned and applied a number of lessons from their own experience of the past few years and seem to be open to the possibility that more lessons are to be learned. For example, the institutions have learned that one requirement for the success of a new program venture is broad consensus at least at the department or division level, and usually at the institution level, concerning the need, the rationale, the philosophy. Corollary to this, faculty must be involved (or represented) in the review and development process and must be given opportunity to study and accept new ventures. Another desideratum is acquisition of a strong leader with available time and clear expertise in the given discipline or student service area, and the strong institutions have typically translated this into hiring someone from the outside (as often as possible with a doctorate).

Second, from a broader perspective, these institutions as a group have learned that it is a buyer's market. Consumers' needs and convenience must be honored in terms of scheduling, offerings, providing remediation, good academic and career counseling, non-classroom experiences, and alternate instructional methodologies. Only as such controversial adjustments are made will students (particularly the returnees or the lifelong learners who are increasingly important to survival) feel satisfied and served and be inclined to enroll or remain. Overall, this has been a difficult lesson to learn and to apply but marked gains have been made.

The institutions with strong programs have also learned how to plan carefully and how to use integrative and needs-based planning in "selling" their needs to external resources; how to parlay one capability into several applications on campus; how to tie faculty development (academic credentials, instructional methodology, attitudes toward students) to general and specific program development; how to use networks and linkages to good advantage in

developing and promoting their programs; how to build on existing strengths (faculty, facilities, programs) in expanding or refining their offerings; and how to circumvent or alter traditional or provincial management practices in the academic arena in the best interests of the institution as a whole.

Many of these "learnings" may seem obvious or simplistic. They are not. They help to define the situations, the needs, the processes, and the successes of institutions that were in trouble or developing at a low level just 8 or 10 years ago. The major point, of course, is that as a group they have learned lessons and applied them and have improved their programs and attractiveness to students as a result.

A third major accompaniment to the program development process is open and honest responsiveness to the requirements, pressures, and recommendations that come from outside agencies or circumstances. It would be foolhardy to ignore such external forces, but beyond that these institutions tend to move positively. This is expressed in several ways. With particular regard to the program, these institutions by and large are aware of the attitudes, biases, authority, and intentions of formal agencies (including their own boards) and of competing institutions. In the subgroup of effectively developing or strong institutions, for example, there are the following agencies with some level of control: public state boards (higher education, community college, or a regional system within a state), individual institution boards of governors, county commissioners (as the funding group), religious orders, a denominational office--the public institutions usually having two boards to work with and in the background the state legislature. These institutions have found ways of complying and cooperating, of course, and yet sometimes circumventing or using loopholes or winning delay by offering alternative schedules or program options. (And one institution in the stable group successfully interpreted a statutory limitation to its advantage and moved into a new and promising degree program, while another stable [private] college creatively responded to its own Board's impatience with the "open curriculum" of the 60s.)

These institutions have also responded fairly successfully to challenges posed by competing institutions in the vicinity, principally by finding ways of joining forces on certain programs or deciding jointly how to carve the pie particularly where they are located in an economic growth area. In either case, the approach has been constructive. Several have simply developed better or distinctive programs faster (general or specific) and now gratefully

find themselves without destructive competition. On the other hand, two of these institutions face the threat of having a branch public institution located around the corner in the next one or two years, but they are already planning their strategies--one of them to expand its mission markedly and the other to negotiate joint programs in advance.

In addition, several institutions have been responsive to the strong recommendations of outside groups not having direct control. Business and industry (and in two cases foundations) have offered financial and/or in-kind support for specific program expansion or development efforts--hardly a pressure to turn a deaf ear to--and at least two regional accrediting agencies have been credited by colleges for having provided a major goad to critical program change, one that in each case was accepted and acted upon almost at once. Most of these schools have also listened to each other (as consortium members or as participants in informal networks in continuing education), to the advice of religious societies, and to the calls for program coordination and easy transfer from 2-year colleges and technical schools to their 4-year programs. In particular, they have listened to the requirements of various professional and state associations as the colleges have come more and more to see the value of accreditation in individual program areas.

c. Patterns of Actual Change as Related to Mission

This subsection deals with major patterns of program change as they have interacted with the primary missions of these institutions--first those changes that have occurred in an evolutionary way over the long term, then those that have occurred in recent years as the result of conscious planning and the use of external resources. These changes bear most importantly on mission, sometimes reflecting mission and sometimes helping to alter it.

(1) Major structural and program changes from institutional founding to the present are important as the context out of which current status and program develop. They are also important--certainly in the subject group of strong institutions--because they represent in almost all cases a series of forward, upward steps toward a larger or more important place in higher education. (Somewhat the same can be said regarding the vulnerable institutions, but they have not arrived at the same level of program meaningfulness or promise.) Even public community and junior colleges, although relative newcomers on the scene in the past 30 years and restricted in scope by

definition, have undergone certain long-term structural changes as well as changes in mission and focus. The strong institutions generally have in common a good experience in their major transitions, have capitalized on the situation, and--perhaps most important--have revised and/or changed the mission to a point where it is clear, quite well accepted, reasonable, and contributory to a special distinctiveness that further enhances growth and change. Whether quite local, regional, or national, this distinctiveness represents carving out a niche, purposefully and reasonably successfully.

Most all institutions (within and outside the present sample) undergo such basic changes over a period of years. The process may be relatively easy and represent a logical and serendipitous flow; or it may involve wrenching and controversy or a standoff with various internal and external forces. While we do not posit a necessary underlying sequence to such changes and transitions, we do suspect that both the events themselves and the ways in which they are handled are inextricably bound up with subsequent or ultimate overall program quality--the faculty, the offerings and resources, the mission and role of the institution. Thus it seems important to take as long a view as possible with regard to the program domain, within the constraints of available information, and at the least to take history into account in assessing the factors that influence present status and its significance. Indeed, it is entirely possible that one institution may have achieved (or failed to achieve) a program of reasonable quality or one with outstanding features only in very recent years with external assistance, while another may have come to that condition some years ago (and maintained it) while being currently eligible for and in need of external support for fiscal and management improvement or for one or two particular program features in need of strengthening.

For convenience in the present analysis, the subsample of 15 institutions with strong academic and support programs is divided into 3 groups: public 2-year colleges, private 4-year colleges and universities, and historically black colleges and universities (public and private). As shown in Table IV.4, across the three 2-year institutions, there are two major points. First, while two

of these institutions were founded between 1945 and 1965 as such colleges, the third began in the 1920s as a county agricultural high school which 30 years later added a junior college to the operation; the high school function, although administratively separate, continues. Second, even at the 2-year level, essential missions may change. One junior college from its inception to the present has clearly maintained an emphasis on the college transfer function (some 80 percent of students were in the college-transfer programs as of 1982), although it has increased the number of its available vocational-technical programs from 2 to 10. A second school has moved in 20 years from initial focus on transfer programs to an overwhelming emphasis on standard vo-tech areas plus certain highly specialized ones (involving strong dissension at state board and local faculty levels for several years, but achieving a present consensus on the value of career and certificate programs). The third has moved less certainly across mission emphases with a present tendency in favor of the vocational-technical areas.

As noted in Table IV.4, among the six private (non-historically black) institutions, three began as 4-year colleges offering BA degrees before 1900, while the other three were founded as academies or junior colleges in 1880, 1910, and 1950. These latter three took from 10 to 15 years to move up to 4-year status, a goal which two of them had had from the outset. All six institutions now offer baccalaureate degrees, five offer graduate courses, three offer graduate degrees, one is now a university, and one has concrete plans for moving to graduate and university status (this is the most recent school on the scene and one that began as a junior college). Not surprisingly, it took much longer (from 30 to 95 years) to move from bachelors to graduate degree programs than it did to move from junior college to 4-year status.

Table IV.4 also provides basic information of other sorts. Three institutions changed from single-sex status to coed at very close to the time they also became functionally independent of their founding or later-controlling (Roman Catholic) religious orders. Coed status automatically brought important changes in academic and student service programs as well as faculty personnel. The governance

Table IV.4

Major Events Affecting Program for Six Private
4-Year (Non-HB) Institutions and Three Public Junior/Community Colleges*

	Founded (Date & Level)	Offered BA/BS Degrees	Offered Graduate Degree(s)	Went Coed	Independent of Religious Order @	Regional Accreditation %	Other Factors #
1	1910 Junior College-Academy	1925	1955	1970	1970	1935	°From diocese to Order control °From rural to urban focus °Mission clarified 1970s
2	1880 College	1880	1975	1970	1970	1960	°From "country club" to new urban, adult pops. °Mission changed 1970, 1975 °External Degree 1975 °University Status 1920
3	1950 Jr.Coll. Coed	1960			1970s	1970	°Continuing Ed Off-campus 1975 °Mission stable from outset °Plans for grad. degrees
4	1880 College	1880	1975	1975	1960	1925	°From "finishing school" to new urban, adult pops. °External Degree 1970 °Focus on older adults 1980 °Mission in smooth transition
5	1880 Academy Coed	1890				1930	°Strong, vital association in a consortium °Mission revised 1970s and in some tension °Church ties very strong
6	1890 College Coed	1890				1950	°Mission changed 1975 °Continuing Ed 1975 °Affiliated with a church
1	1945 Jr. College					1950	°Equal focus on Transfer and Vo-Tech, changed to Vo-Tech
2	1965 Community College					1970	°Early focus on Transfer changed to Vo-Tech focus °Satellite locations
3	1925 County Ag. HS 1950 added Jr. College					1975	°Transfer focus from 1950 to 1982 °HS administratively separate in 1970

* Dates are rounded.
@ Generally means independent of control, but strong ties/sponsorship continue.
# All 4-year institutions now offer many career-oriented, professional, and pragmatic program options, in four cases as the program focus, in two cases as a co-emphasis with liberal education.
% Date of first full approval and accreditation.

changes, in these three institutions plus one other, had profound effects on nature and mission of the institution, principally in opening up the curriculum first beyond liberal and religious studies and then to a new array of career-oriented and professional programs that have become the hallmark of higher education offerings in the sample institutions. Not all these transitions have been smooth; indeed the basic change from "liberal education" to "career-oriented programs in a liberal arts tradition" has many meanings and some internal opponents. Also, population changes (rural to urban, older adults, minorities, disadvantaged, academically unprepared) have caused a period of disruption and concern before they have resulted in acceptance and then revisions to mission. Overall, what is abundantly clear here is that these institutions are very different from what they were in the beginning, and what they have become defines in many ways what a higher education institution is and does these days. In the present context, it goes without saying that the effective use of external funds (from many sources) has assisted program development in keeping pace with status and mission, particularly in the past 5 to 15 years.

Much the same can be said regarding the six historically black institutions (see Table IV.5), except that they generally began at a more rudimentary level and by the present time have far outstripped their early beginnings. All six institutions (four private and two public) were founded prior to 1905, but only one as a college per se with original expectations that it would soon offer certificates or degrees. The others were initiated as elementary-secondary institutes and/or normal schools, most with the mission of preparing black teachers and preachers. As noted in Table IV.5, in some cases these original functions were carried for many years while new functions, such as industrial trade school, junior college, and senior college divisions, were added. These structural changes, as well as the original educational levels served, were an expression of mission--translated into action and then transcended as old missions were accomplished and new needs and opportunities arose. All six institutions now offer baccalaureate degrees, four offer graduate courses, three confer graduate degrees, and two have attained

Table IV.5

Major Events Affecting Program for Six Historically Black 4-Year Institutions*

	Founded & Changes (Date/Level)	Offered BA/BS Degrees	Offered Graduate Degrees	University Status	Regional Accreditation %	Other Factors #
1	-1870 Institute (elem., sec.) (teacher, preacher) -1890 Industrial	1895			1945	°Mission revised 1950 °Mission changed 1975
2	-1900 Normal -1870 Institute -1920 combined, into Jr. College -1925 dropped high school	1940			1960	°Mission clarified 1975 °Plans for graduate degrees, 1985 °Focus on the sciences
3	-1870 Academy (elem., sec.) -1880 Institute (teachers, trades)	1920	-1930 -Dropped -1955		1930	°Land Grant for a short time (special status) °Mission changed 1920 °Mission clarified 1980 °Continuing Ed. 1980 °Focus on the sciences
4	-1905 Institute (elem., sec.) (teacher, preacher) -1930 Dropped Elementary -1930-35 Jr. Coll. only -1945 Dropped HS	1915 Dropped 1935			1975	°Mission refined 1975 °Church ties very strong °Has affiliated school of religion °Specialties within Education Dept.
5	-1875 Elem., Sec. -1890 Normal & Jr. College -1890 Land Grant -1920 = College -1930 HS and Normal dropped	1905 Dropped 1920	1935	1970	1960	°4 new grad. degrees ready for 1985 °Mission clarified 1975 °Added BA degree 1970s °In state system 1960 °Retains LG focus °Now has 8 Schools
@ 6	-1890 Land Grant (Began as annex to another college)	1900	1940	1965 1970	1935	°In state system 1970 °Mission defined by Legislature 1955 °Mission expanded 1975 °Retains LG focus °Now has 7 Schools

* Dates are rounded.

\# All institutions continue to offer many career-oriented, professional, and pragmatic program options (their original missions), and all now have a "liberal arts/sciences" context or set of offerings.

@ Institution #6 accorded a "regional university" status, then later a full university status within state system.

% Date of first full approval and accreditation.

university status within state systems of higher education. Generally it took from 10 to 70 years to move from the rudimentary to the 4-year level and another 10 to 20 years to graduate degree programs. After another 25 years two institutions moved on to university status.

Table IV.5 also provides information on mission and program, with major changes and revisions to mission occurring in the past 10 years as these institutions faced a variety of challenges and opportunities. All six continue to focus on career-oriented and professional programs reflecting original and expanded purposes, but they also have taken on general liberal education offerings and specializations. Institution #1, for example, by 1950 had generated a clear emphasis on liberal education but found that by 1975 it needed to reorient to the career-professional areas that have become ubiquitous in American higher education. By contrast, Institution #3 sees its current mission very much focused on liberal arts and sciences as well as research, and reports that this focus goes back as far as 1920; it does include an array of career-professional programs and specializations, however. All these institutions are accredited, of course, by regional associations, a process that began as long ago as 1930 and has most recently been accomplished in 1975. Accreditation is a vital link between mission and program on the one hand and students, resources, and image on the other--and it seems obvious that these institutions have valued institutional accreditation at the regional level but also program accreditation at the national level. The most recent (1975) is an example of an institution which found itself on the skids, but then put full accreditation as its number one priority (attaining it within 3 years). Overall, just as with the subgroup of private colleges reported on earlier, it is both apparent and important that these institutions are very different from their initial statuses, and that their evolution from elementary-level institutes or academies into colleges and universities has much to say about effective institutional development within the framework of a broad institutional heritage. Similarly, what they have become defines in many ways what a higher education institution is and does these days. Bootstrap operations? You bet.

(2) Program changes at a more discrete and short-term level appear to have reflected several important trends or patterns over the past 5 to 10 years in the group of institutions with effective programs. To a very considerable degree these are purposeful, planned patterns that represent responsiveness to perceived needs and market factors and an awareness of how program development interacts with other internal and external factors. Among these common patterns are the following:

- Changing (either a new program, an extension, or a major revision) one or two chief programs or areas at a time--for example science or faculty development as a broad area over several years; recreation therapy, career center, or natural resources as individual program thrusts. The dynamic that seems to operate is selection of priority areas, avoidance of spreading resources too thin, and assurance of good leadership that can carry the program development off pretty much as planned. There is a direct relationship, however, between size of institution and resources available on the one hand and amount of program development attempted on the other; some schools are thus able to manage an array of efforts concurrently. The effective schools clearly resisted a proliferation of courses and programs as a futile effort to capture all markets.

- Taking the time needed for new development or revision, realizing that a new program may take 2 to 4 years to get into place (depending on scope, complexity, need for specialized staff or faculty, etc.) as compared with earlier efforts where 1 or 2 years were allocated or where a deadend was reached.

- Planning for professional accreditation from the outset in developing or revising programs, so that accreditation guidelines and requirements are built into the planning and the execution.

- Developing and/or expanding new offerings that actualize community needs and input (where such input is usually solicited now and where "community" is inclusive of general population, other institutions, broad student market, and business/industry). These new offerings are usually reflected in new certificate programs at the 2-year level, and new/refined offerings for continuing education and adult education clients, majors or degrees at 4-year colleges.

- Altering the offerings and services (drop, add, revise) so that such changes are basic or institution-wide, as opposed to being concerned only with single majors (although that may also occur). Major areas of such change include: curriculum-wide competency-based instruction with entry measures and exit standards; a broad array of internships, not just available but

often required in certain majors; an array of remedial offerings; changes in the general education requirements for associate and bachelors degrees; multiple application of computers and computer-assisted instruction; and, in several institutions with a mission focus on teacher training, addition of marketable specialties such as reading, early childhood, special education--and in one notable case a new degree program in urban education. (Two other broad areas, academic support and student services, are treated separately in the next two entries, since they have taken on very special significance.) Prime examples of institution-wide changes are: one case where program review resulted in dropping 7 majors and adding 11 and substantively revising over 50 percent of all courses; and one case in which developmental studies was advanced to full division status when it was seen as vital to the whole academic/technical program.

- Creating or refining academic supports such as media centers, library, laboratories, learning resource centers, structured academic advising, internships, self-instruction materials, TV lecture replays and other instructional methodology options. These are often coordinated or combined as aspects of a comprehensive approach to academic enhancement. In most cases, these supports were introduced or markedly improved within the past few years in response to more realistic perceptions of the populations sought and served and in recognition of the value of embracing new opportunities in "getting the job done." Overall, such supports have now come to be seen as necessary adjuncts to the academic/technical enterprise for the institution as a whole; in a few instances they are viewed as integral parts of the curriculum.

- Creating or refining other, more personal-individual support services such as counseling, tutoring, career centers, testing, placement services, optional or required remedial-basic courses, financial aid assistance, special "comprehensive" services for foreign students and older adults, freshman orientation, centers and lounges for personal contact and mutual support, organized "retention" efforts, day care centers, dorm counseling, and the like. Most institutions committed to students from low-income backgrounds profess to have had special emphases built into the instructional approaches to help offset the learning disadvantage, as in specially structured personal support services. As with academic supports, these are frequently provided comprehensively and in the main have come to have a special place on some campuses only in the past few years. They are clearly in response to the needs of students as related to the program and the mission. (The same is true, but in a less focused or effective way, in the subgroup of vulnerable institutions--they are beginning now to see the importance of offering and actually promoting such services in a comprehensive way.)

- Making "adjustments" to the established order of things in order to accomodate nontraditional student groups (in terms of

scheduling or provision of new degree opportunities), usually with initial administration and faculty resistance to serving "adults" in an institution "meant" for students aged 18-22. The almost universal example is creation/refinement of a dynamic set of offerings in continuing education--credit and non-credit, evening and weekend courses, special programs for veterans and women, on-campus and several off-campus locations, joint ventures with other colleges or with businesses, and associated personal/academic advising. Other common adjustments include credit for life experience and provision of external degrees via formalized program offices; re-entry opportunities; degree offerings at non-traditional times of day and week; specialized programs where candidates can receive full bachelors or masters degrees by attending only in the evening (and this has required the greatest effort and degree of adjustment). None of these is new on the academic scene, but all are recently embraced by the subject institutions and have come to be part of their hallmark, their attractiveness to students.

d. The Role of the Faculty

The institutions with strong programs generally have a stable faculty core who have found satisfaction in their work in spite of fiscal adversity or program restrictions during the 1970s. Thus, it appears that on the whole good faculty morale and constructive attitudes--in a few institutions reflecting a deep sense of loyalty and personal commitment--have both contributed to and benefited from program development efforts in the last few years.

The positive attitudes, although not universal or easy to develop in all cases, are expressed in four principal kinds of "action" that have a direct bearing on program and institutional development. First, the faculty generally is aware of, accepts, and acts upon its (now) obviously important role in helping to recruit and retain students to the point that this is frequently accepted as a responsibility within the teaching function. Why? Because top administrators in these institutions have stressed everyone's responsibility in seeing that the institution survives, and, since that survival depends chiefly upon size of student body, direct involvement is essential. Too, faculty have learned that without such action, attrition hurts even more at the upper levels where majors take the more specialized courses in the discipline. Second, faculty members generally have come to accept a direct role in program development and change, and thus accept and value new programs for their own sake or as important to survival. This appears to hold even where such programs (for example, a business major, remedial studies, "communications") earlier

were anathema or at best looked down upon as unsuited to a liberal arts institution. The same dynamic has encouraged faculty approval of dropping certain programs when valid data are presented...or redoubling efforts in their own programs when threatened with retrenchment.

Third, faculties have become increasingly willing to update, to retool in their own disciplines as another manifestation of their acceptance of responsibility for what happens to the institution. An extension of this, and equally important, is general faculty willingness to alter their instructional strategies and to embrace new modes of instruction as well as uses of media. In addition, in some institutions there has been a notable increase in professionalism generally, with augmented scholarship and research. Fourth, these faculties tend now to accept--and sometimes directly participate in--various support services (e.g., tutoring, counseling, study labs) to the extent that "academic support" is perceived as an important part of the overall academic picture. One aspect continues to elude clear definition and comprehensive implementation, however, even at these institutions with strong programs: that is the business of academic advising. Curiously, this type of advising seems generally to be carried out just as well by counseling staff and student peers as by faculty themselves, something that "ought" not to happen but which could be capitalized on. Effective use of faculty in advising students on program requirements and course selection continues to be a troublesome area at many institutions, and few felt entirely comfortable with current practices.

There is no doubt a reciprocal relationship between faculty attitudes and institutional practices. The institutions seem to have done or been something "right" in the first place to have retained faculty, and these faculties were then primed to be more responsive to survival needs when they were presented.

At the same time, the institutions have also taken on certain actions or attitudes with regard to faculty in recent years, and it may be these efforts that have paid off in terms of faculty participation in the overall development process. Such institutional stances include: assuring or even requiring broad formal faculty membership or other involvement in planning groups and the program planning process; encouraging or responding to individual or departmental initiatives in moving toward new programs or majors, within broad program development constraints of course, and otherwise respecting the validity of faculty entrepreneurship; and providing a range of faculty development opportunities. This latter is probably the most important and most extensive

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stance of the institution--other than salary and benefits--as regards the faculty. These institutions generally have used external funding as a resource in creating broad opportunities and options for individual or group professional development. There is a planned systematic approach, with funds, released time, requirements, and expectations at a number of these schools, which now attempt to underwrite such efforts on their own or which for the time being assume that broadscale faculty development in recent years will suffice for the next few years. Facult. may pursue degrees (apparently less common now in the sample of institutions studied than say 6-8 years ago), obtain certificates, attend workshops, and in various other ways update themselves on a field or even a given course through on- or off-campus activities. Also, in some cases there is strong and consistent support (moral and financial) of faculty research and/or support for seeking research grants.

There seems generally to be a quid-pro-quo dynamic operating here, in that individuals benefit personally and professionally but the institution also benefits in concrete ways. For example, in several instances there exist the products of supported professional development in the form of books, course outlines, changed sets of requirements, training skills ready for further utilization, audio-visual and other materials, and new instructional technologies--and where "better-developed" faculty and research activity are involved, the institution gains in image or stature. To be sure, faculty development may be spread thin or it may give emphasis to select members in priority programs, but generally the effects redound to the benefit of all as the institution benefits.

3. <u>Strong versus Vulnerable Institutions in Terms of Program</u>

Because the program domain is extensive, the discussions thus far have focused on the 15 institutions with programs rated in the positive or strong category, with only occasional references to the vulnerable group. This subsection contrasts the two groups (the 15 institutions with effective programs versus the 11 institutions with programs rated in the vulnerable category). Two points should be borne in mind in order to avoid invidious comparisons or simplistic conclusions: first, the strong and vulnerable programs clearly do not differ on all dimensions; and second, among the stronger group there are actually examples of slow change, priorities admittedly out of line, continuing serious needs, weak leadership below the presidential level, and so on--just as in the vulnerable group there are examples of strong program

processes or outcomes. The strong program group is apparently more effective or successful relatively speaking, and some of these institutions still have much to accomplish on their individual agendas.

The contrasts that follow focus on major points and are suggestive of meaningful differences in practice which may account for differences in program quality; what is missing here is a way of ascertaining an appropriate mix of factors that might clearly delineate strong and weak institutions in program terms, partly because of the study's limitations and partly because the program results from a complex of decisions and practices at the administrative and fiscal levels. The program does not stand alone. As a result, we are dealing here with trends in institutional condition and practice, not laws.

In all fairness to the institutions with weak or vulnerable programs, it may be that they have only recently come to terms with their situations or that for a variety of reasons they simply move more slowly toward quality and stability--or indeed, as seems to be true in a few cases, that they have not yet squarely faced the realities that their more effective counterparts faced and acted upon 6-8-10 years ago. The contrasts presented in this subsection show in the main that the strong program institutions "did" or "became" a number of things and thus developed strong overall programs, as judged. Generally, the vulnerable institutions did not engage in these practices but we cannot suggest that such "failures" led to weak or ineffective program quality. We do suggest, however, that such omissions prevented them from improving program quality more rapidly.

a. Contrast in Presidential Leadership in the Program Domain

The effective program institutions were characterized as having had strong leadership at the presidential level over a span of years. Virtually all presidents had taken firm hold of the program, program change, and program direction at some point prior to 1978 (and a few continue to exercise tight control up to 1982); most had had a relatively long recent tenure; most worked with or delegated to other top-level administrators in regard to program and mission development, including those assigned the role of Title III coordinators in two-thirds of the schools; and there was evidence that getting the program in order and up to date was a chief early priority of many of these presidents and that this priority was acted upon quite comprehensively.

The vulnerable institutions present a different picture. Five presidents were new between 1981-82 and January 1983, and internal/external judgments suggest that two of these are clearly weak overall, two are now beginning to take firm hold, and the fifth is too new to have plans, program or otherwise. Considering their predecessors, plus incumbents at the other six schools, presidential tenure has been very mixed: from 2 to 4 years at 5 institutions, and from 7 to over 20 at the remainder. Overall, the priorities of these 11 presidents have been somewhere else than on the broad program during these moderate to long tenures or at least in the past 5-10 years; or, their program priorities have been quite limited. Several presidents are reported to have been initiators and leaders on the program scene, but they initiated only one or two changes and typically exercised little follow through; another leaned heavily on the faculty to adopt competency-based strategies as a vital approach to institution survival, but now has removed his support, leaving administrators and faculty puzzled; another has pushed for two new career-area programs to the consternation of fiscal personnel who recognize the large maintenance costs involved. Others apparently have done little for or about the education or student services programs, are autocratic, are complacent, or are no longer effective. There has been some delegation of responsibility to deans or others, a few of whom have exerted leadership; but by and large the presidential personality and style appear to have permeated the institution and have stifled change as well as the awareness of its importance in a number of instances.

Put another way, only two of these institutions have emphasized the program in recent years as a way of effecting broad change and improvement (one via faculty development, the other via academic offerings and student services), while several have given no emphasis or have experienced knee-jerk program efforts periodically as they focused, usually ineffectively, on improving administrative tools. Several have seemed to ignore program and administrative/fiscal concerns equally.

b. <u>Contrasts in the Program Change Process</u>

If there is a valid relationship between presidential leadership and the processes put in motion for reviewing and altering the institution's offerings, then it is not surprising that the vulnerable institutions share several common lacks related to the program change process. As a group they do not have formal program planning teams or cabinets, appearing to

depend instead on unilateral presidential initiative, autocratic top-down decisions, or a mixture of "seat-of-pants" program needs assessments at any of several levels. They also lack a sense of openness on the campus concerning what the challenges are and how to face them; a program planning process or set of rules (other than an awareness of internal politics and what is permissible); needs analyses and market surveys; and utilization of consultants or other outside assistance--except in one notable instance where a string of consultants has been brought in to fill the leadership role of nonexistent program planning personnel on campus.

These institutions do not view program planning in long-range terms and certainly not in terms of institution-wide concerns or institution-wide solutions--again with the exception of one school on the verge of closing (where every decision is related to survival) and one where the program is consciously being reviewed on the assumption that existing programs and majors should be strengthened in place of considering new ones. That latter example is indicative of another difficulty generally shared by this group, an inability to take seriously recent or current market trends (although a few are indeed starting to do so; and one has tried, but repeatedly failed, to lock onto what looked for a time to be good market-program matches). One school is virtually ignoring every aspect of the fact that a major portion of its enrollment is foreign nationals, while another cannot seem to extricate itself from its longtime mission of teacher education. Related to this, several of these institutions are having great difficulty redefining liberal education and the liberal arts and some apparently are not yet trying to do so.

On another level, quite in contrast to the group of good-program institutions, these schools engage in a sort of opportunism that says (and this is a direct quotation), "The college does things [program refinement or development] it gets funds for." Although two schools have had considerable success in obtaining well-intentioned resources from a variety of agencies, the typical pattern in this group is to seek Title III funds only, to allocate or account for such funds somewhat haphazardly, and to drop new programs (whether academic or student services) once the Title III support is gone or when it is discovered--too late--that there is a minimal market. (Going beyond Title III, one school obtained a sizable foundation grant for a new major but then inexplicably footdragged on use of the funds and eventually lost interest in its

own effort.) Initially, the net result is that ultimately many of these schools do not do "what they get funds for." And that may help to define their low ratings on program quality as well as other conditions.

A final aspect of the larger program revision process should be mentioned. These institutions overall have learned and applied few, if any, lessons from their prior program development experience. This is in part because of having had relatively little successful experience and in part because of not viewing program development, whether successful or not, in long-range or institution-wide terms. A key lesson--learning and accepting the strong interactions among markets, planning, faculty development, program, program development, student services, and faculty involvement--is reported to be emerging in almost half these institutions, a fundamental awareness on the horizon or in the collective conscious but not yet actualized. Similarly, this subgroup generally has experienced and expressed great difficulty in managing the competition. They feel at sea, somewhat helpless, even those that have embarked on cooperative endeavors with other institutions. The dynamic that may be missing is recognizing the intimate relationship between the competition on the one hand and the nature of program and the change process on the other.

c. Contrasts in Patterns of Actual Change

The institutions with strong programs appear as a group to be relatively comfortable with their new or revised missions--missions that have emerged out of a long history of structural change up to about 1970 and missions that are now clear, firm, realistic, and in most all cases accepted by the institution family. The vulnerable program group, on the other hand, even though they represent the same patterns of structural change over almost exactly the same time period (1870-1965) for all three categories (historically black colleges and universities, 2 year colleges, and non-historically black colleges and universities), is still very much in the midst of the struggle to assert or change mission.

One 2-year college in the vulnerable group is dramatically in control of its mission (transfer program, certificates, and minority acculturation) and two others are fairly comfortable with what has evolved, but the remainder are in difficult transition or outright conflict. The conflicts are usually between internal factions, but also include one institutional battle with external public forces and one case where there is much confusion but no clear

opposing sides yet within the institution. Among the difficulties are: disavowing a strong historically black heritage; a denominational rift; a fight to find a mission that will match the existing socioeconomic, demographic, and transportation factors that define the locality now; and, most frequently, liberal education vs. newer career/professional programs.

As noted above, the "structural histories" of the strong and vulnerable groups are very similar. Except for two institutions in the vulnerable group founded before 1850, the historically black institutions, the 2-year schools, and public or private non-historically black institutions were founded in similar date ranges encompassed by the period 1870 to 1965. The historically black institutions in both groups had beginnings as institutes or elementary schools, moving to normal, junior college, college and graduate levels, with each group containing one case where a private college was given land grant status for a period of years, and each group containing one institution merged from two earlier ones. The non-historically black institutions began similarly in both groups, as colleges or academies, moving to college, graduate, and university status, with both groups containing instances of "going coed." The 2-year schools in each group also shared instances of merger and of being founded as something other than a junior college or community college. The strong and vulnerable groups were very similar in other respects, also. The actual dates of accreditation as well as the number of years from founding to accreditation showed very close to the same distributions, for both the historically black and other subsets. Overall, dates of accreditation ranged from 1925 to 1975 for the effective group (median 1950) and 1935 to 1980 for the less effective group (median 1960); years from founding to accreditation ranged from 5 (two community colleges) to 90 for the effective group (median 60 years) and 20 to 100 for the vulnerable group (median 75), giving an edge to the effective group principally because of the two community colleges.

One final structural history analysis revealed a meaningful difference between the strong and vulnerable groups, which is the number of years from founding to awarding the first BS or BA degrees. This applied to the distributions for both the total groups and the historically black subgroups. The strong historically black institutions took from 10 to 50 years, the vulnerable historically black institutions from 45 to 100 years, from founding to award to first bachelors degree. For total groups, the ranges were similar:

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5 to 50 years for the strong, 45 to 100 years for the vulnerable. It may be that an advantage inherent in this difference was the opportunity to develop the program to the degree level, change it, learn from the experience, develop a broader faculty, modify mission <u>within</u> the baccalaureate context, and otherwise learn how to cope with change or the need for it. If this is the case, it could help to explain the differences in ratings as to present (1982) program quality, but at the same time may suggest that institutions in the vulnerable group have a fair chance of ultimately coming into their own, other things being equal.

In terms of recent program changes (in the past 5-15 years), the two groups are perhaps more similar than different, although the vulnerable group is characterized more by "attempts" and the strong group more by "accomplishments" or changes. Actual program changes (new majors, programs, services) have indeed occurred in the vulnerable group but they tend to be one-shot efforts, unfocused, opportunistic, or slow to take shape. These institutions are beginning, too, to respond to the community (broadly defined) and indeed one institution is outstanding in its efforts to learn about and capitalize on community program needs. Overall, however, there are few examples of creating programs in terms of academic supports, personal supports, or institution-wide needs that would presumably affect the entire enterprise (although two institutions have moved concretely beyond their narrow teacher-education roles into education specializations or other majors). Where one institution has outstanding academic supports operating, another has moved only toward remedial skills offerings; where one institution has a weak, duplicated, overambitious set of personal support services, another has a notably expanded set of services over what it had 5 years ago (which, however, are markedly underutilized). Most appear to be mediocre or minimal with respect to academic and personal supports, which can to some extent be interpreted as an undervaluation of their importance and potential for the institution <u>as a whole</u>.

With regard to extending programs to nontraditional (adult) populations, the vulnerable group has made some progress. Discounting three that have done nothing along those lines because they are truly rural and it would be impractical, it may be noted that two others have no plans to move toward adult groups of any sort, two have begun non-credit continuing education programs, one has established a "stepchild" offsite community education center with only marginal programming plans, and three have made important inroads. Among the

latter are Adult Basic Education and General Educational Development offerings, community education minicourses, outreach locations for 2-year programs, and two cases where a college has arranged to offer certificate, undergraduate, or graduate degree programs in several urban centers. This last example emphasizes an essential difference between the two groups in that these are the only vulnerable institutions that attempt to promote degree programs in other than traditional ways, locations, or times of day. The effective group is characterized as making numerous adjustments and creating opportunities for nontraditionals to obtain degrees--in addition to what may now be termed standard community education credit and non-credit offerings of many sorts.

d. Contrasts in the Role of the Faculty

The strong institutions, as a group, have a stable faculty core with a set of generally favorable attitudes about their roles and institutions and a vested professional interest as opposed to only a personal one. Positive attitudes include: acceptance of some responsibility in attracting and retaining students for the sake of institutional survival and/or growth; participation in program change and acceptance of new directions in program, in mission, in populations; involvement in professional development (updating, retooling) in specialty area and openness to new instructional methodologies and media; and acceptance of and some participation in a variety of support services, both academic and personal. By and large these faculties enjoy the confidence and respect of the "institution" in that they are often represented in formal ways in the program planning process, are frequently free to exercise their own individual or group entrepreneurship in working toward new programs, and are offered numerous options for professional development and participation in research grants.

In contrast, the faculties at the vulnerable institutions appear to be more mixed as to stability/longevity (with some institutions suffering severe turnover problems) and quite different with respect to attitudes. Almost universally, these faculties do not accept--may not be aware of--a responsibility for institutional survival via efforts to retain students or assist them through support services. One president indicated that the faculty "are out of touch" with students and their concerns; and one seminar of students (freshmen at that) reached quick consensus on the view that "the faculty don't want to even bother to refer us for tutoring" and "they only want their paychecks." So much for those two institutions. But such sentiments were

expressed or inferred elsewhere as well, a telling commentary on "the role of the faculty" at several of these institutions (although there were clearcut exceptions where commitment to students was at a high level even if faculty morale was low). There were more positive signs, however, with regard to retooling and updating, and also faculty participation in and valuing of program change. Several faculties could be said to be "starting" in these directions, while others continued to be more complacent about their professional involvement or responsibility.

On the other side of the question, apparent administrator attitude toward faculty, there were mixed, but essentially negative, reports. In three cases faculty were systematically but minimally included in program planning (a reflection of minimal program planning overall). In the majority of cases faculty initiative in program change either did not occur notably or was not countenanced; in one institution there was too much "freedom" to the point of depending on faculty to promote change, and in another the pattern was to encourage faculty initiative, approve plans, and then ignore the matter. Faculty development opportunities clearly did not exist at several institutions, but there were some options at a few institutions, and two in particular had made marked gains along these lines in the past 5 years.

4. Program Endnote

There have been several intimations that the group of strong institutions was perhaps 10 to 20 years ahead of its vulnerable counterparts. This is the conclusion reached at this point and it extends in varying degrees to the four basic areas of program comparison: presidential and other top-level leadership and example; the program review and change process, including planning and attention to institution-wide concerns; structural and program changes over the long term and also more recently, as related to the mission; and interactions between faculty and institution.

It is fair to speculate that the vulnerable institutions, given time, leadership, resources, a clear sense of role and mission, and positive or at least neutral contextual circumstances, may indeed turn the corner and move toward a higher quality program as well as a distinctiveness that attracts not just attention, but students. Some of these institutions have made commendable and extensive efforts--pilot efforts, in a sense--to study and alter their programs, but with less than the expected outcomes, and some are now moving toward an awareness of how a variety of factors must be dealt with

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concurrently in any attempt to make meaningful change that truly affects the institution as a whole. However, as judged at this time, several of these institutions have not made such an effort, have not arrived collectively at an awareness of what is involved in effecting needed change--and may not be aware that change is needed.

Overall, this group of vulnerable institutions seems to be lagging. Not slow, because that implies a standard of speed or outcome. But lagging behind those that have moved more forcefully and have altered their image and program as well as their operations. These institutions may be living in the past or may be counting on discrete changes to effect fundamental changes. They may be suffering from minimal leadership, or from a lack of the mix of factors that can result in a turnaround. The metaphor of turning around, turning the corner, turning a new leaf is an apt one. Others have done it. It is now their turn.

Part Three: Effective Developmental Activities

Chapter V

Classes and Dimensions of Developmental Activity

We turn here from examination of the institution as a whole to a focus on what constitutes the basic unit for investment as the Title III Program operates: the developmental activity. The chapter presents several sets of dimensions, or classification schemes, that were found useful in characterizing discrete developmental activities and types. Section A summarizes the categorical descriptions and definitions provided by the current Title III legislation and regulations, including any restrictions established by current designations of unallowable costs. Section B presents several other schemes believed particularly relevant, in terms of Title III intent, noting that developmental activities may constitute one-time only events or lead to continuing operation, may have varying options for later operational support and fiscal contribution in return, or may be variously supported. The final section provides the broad functional framework utilized in the field examination of selected Title III activities, as reported in subsequent chapters.

A. Classes of Activity, as Defined in the Current Title III Legislation, Regulations, and Operational Procedures

As noted elsewhere, the kinds of activity specifically authorized in the current enabling legislation involve activities "that promise to strengthen the institution" (Part A of Title III) or to "strengthen the planning, management, and fiscal capabilities of institutions with special needs" (Part B of Title III). Under the previous law and regulations, funds were awarded to strengthen the academic quality, administrative capacity, and student services of "developing" institutions. As it was generally assumed that progress in these three areas would strengthen the institution, success with individual activities was considered synonymous with institutional success. The new law calls, in effect, for institution-wide impact, but specifically designates the following six kinds of activity as vehicles for achieving institutional self-sufficiency: (1) faculty development; (2) funds and administrative management; (3) development and improvement of academic programs; (4) acquisition of equipment for use in strengthening funds management and academic programs; (5) joint use of facilities such as libraries and laboratories; and (6) student services. The labels for these areas provide a general or summary taxonomy.

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Before examining some of the different kinds of activity recognized in the Title III award process under each category specified in the current legislation, it is appropriate to take special brief note of another important element in both past and current legislative intent: that is, the institution must ensure that Title III funds are "used to supplement, and, to the extent practical, increase the funds that would otherwise be available under (Parts A and B of the Act), and in no case supplant those funds."[1] The current related regulations further state:

> Federal assistance under these programs may not be used to cover any general operating and maintenance expenses of grantees or to supplant what an institution would otherwise spend to carry out activities allowed under the programs. The purpose of these programs is...to assist eligible institutions to carry out planning and development activities that will enable them to become viably thriving institutions of higher education and, therefore, free from the need for continued assistance under Title III.[2]

The burden of these statements is that "developmental activity" under the Act must be "new" activity for the institution (that is, activity not regularly included in the institution's budget) and that general operating and maintenance activity is excluded. In some cases, such as the development of a set of course offerings not heretofore provided, it is clear that the activity is new; in curricular revision or completion of an MIS, changes can be major or minor, and Title III program staff attempt to determine whether the change falls within normal responsibilities and time frames for updating, or indeed represents atypical and additional or unusual effort with attendant costs not regularly supported. In addition, standard operating procedures currently require (1) a judgment that the activity does not "duplicate, supplant, or substitute for an activity carried out in the past or presently being carried out by the applicant institution," ntegral to the institution's long-range developmental plan," and (3) that the activity is not "beyond the planning/design/implementation phase" where this is defined as "the initial installation and testing of the strategies, programs, materials,

1 Public Law 96-374, Section 341(b)(2)(94STAT.1397).
2 Final Regulations, Institutional Aid Programs. Federal Register, Vol. 47, No. 2, Tuesday, January 5, 1982, p.540.

etc."[3] In the case of new academic programs, funds may not be used to support a developed instructional activity beyond a single term, for example.

The other critical element, as emphasized in the discussion of the current legislation in the introductory chapter, is that a developmental activity under Title III must have promise of contributing to the institution's capacity to survive without continued funding under the Title. This is emphasized, in the new legislation, regulations, and operational guidelines through a focus on "...activities that will lead an institution toward self-sufficiency. Inasmuch as an institution will want to maintain these activities at the termination of Federal assistance, [activities must involve] realistic parameters including size, growth potential, stable enrollment, and adequate assessment of client needs."[4] Current procedures also require that "no costs may be incurred which duplicate previously funded Title III projects or other Federal projects."[5]

In the ongoing monitoring of the program, there has been further specification through the mechanism of establishing specific allowable and unallowable costs. In the area of faculty development, for example, particular training of faculty that could be provided by other individuals currently on the faculty and capable of providing it is unallowable and considered supplanting, and faculty development or retraining that is unrelated to "approved" developmental activities is not supported. The allowable cost mechanism is also used to exclude certain kinds of activity that might encourage excesses and involve unreasonable expenditures (e.g., salaries not commensurate with the institution's regular policy and salary schedules or "exorbitant" consultant fees). There is concern as well with cost support of activity that could be politically or ethically troublesome (e.g., direct fund raising, including proposal development); recruitment of new students, which could involve entertainment; student travel of any kind. Also considered unallowable are costs for program development that is not a reasonable and formal part of the traditional academic program of the institution (e.g., funds cannot be used for developing or improving non-degree credit programs

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3 "Program Information about Allowable and Non-Allowable Activities and Costs within Institutional Aid Programs." Working Paper, Division of Institutional Development, dated 3/12/82.

4 <u>Idem</u>.

5 <u>Idem</u>.

other than basic skills development programs, or for community service programs unless they provide experiences or academic credit for regularly enrolled students).

In general, then, Title III generically defines developmental activity as a unit of effort that is new and otherwise unaffordable at the present time, but which constitutes reasonable program or procedure development and testing activity that has a likelihood of strengthening institutional capability to provide a program of reasonable quality, and of improving institutional viability and self-sufficiency. This involves the expectation that the development phase will yield an ongoing operational activity or new style of operating that can be continued without Federal support, or within the other resources of the institution. To what does this translate in specific kinds of endeavor?

With regard to the six activity categories provided in the current legislation, specific activity can encompass particular kinds of endeavor specified in procedural guides[6] used by Title III staff in the award and monitoring processes. Under Faculty Development, for example, funds may be used to support costs of on- or off-campus short-term training of (regular, not new) faculty which is necessary for approved developmental activity, or to make developmental changes in curricula. Funds may also support certain costs of graduate study leading to a terminal degree where such is necessary to achieve or maintain accreditation of a developmental program or activity, or where no one is currently available with the skills and knowledge to develop new instructional programs for which developmental funds are also being sought.

Activities under Funds and Administrative Management may include such funds management activity as the development of a resource allocation model, the development of more efficient and effective procedures for carrying out regular institutional management functions (such as collection of student loans), or the development of a system to improve the institution's fund raising capability. Administrative management activity may involve the development of: an institutional research office; a planning, management, and evaluation capability; a management information system; a management training program; such specialized services as automatic data processing, operations analysis, policy and procedures manuals; or a model plan for improving public relations strategies.

6 *Idem*.

Developmental activities in the Academic Program area may include improvement of existing programs; integration of existing academic programs or departments; curriculum revision; development of new academic programs such as remedial or basic skills programs, or vocational and technical programs leading to an associate degree or certificate; development of curriculum laboratories; and, within limits, the development or adaptation of instructional materials or strategies (e.g., computer assisted instruction).

Equipment Acquisition, under the regulatory interpretations, involves equipment necessary to the attainment of the objectives of an approved developmental activity. Thus, it is an aspect of other activity, not one in itself. It may include a range of equipment from computers for improvement of administrative data handling to laboratory equipment or electric typewriters for training students, but not regular office equipment such as desks, files, and typewriters, nor replacement of worn-out equipment.

Joint Use of Facilities, like equipment, is not an activity in itself, but a facilitation of other activity; it provides, under the regulatory interpretations, for costs of leasing space or for combining resources with another institution.

Student Services involves the development (not the ongoing provision) of academic and personal counseling programs, and training of regular staff to be assigned; of career counseling and placement services; of peer counseling programs; of cooperative education programs (if not also funded under Title VIII of the Act); and of testing or learning resource centers. Excluded are costs of providing actual services to students; entertainment including cultural enrichment programs; student exchange programs, intermural activities or student associations or clubs; student health services; and any services for high school students.

It should be noted that, in practice, a number of the components may be (and usually are) combined under a larger configuration. For example, in the program area, a single "activity" may involve separately or in combination such elements as staff training and development, curricular planning, development of laboratory resources, etc. A learning resource center may be developed toward providing a general, campus-wide facilitation, or as a specific unit within a particular academic program. In short: an activity can become a combination of interrelated elements of considerable complexity, or may be relatively narrow in scope, depending on what the institution considers to be

efficient packaging in terms of management and control. It should also be noted that the basic selection of activities for which funding is requested is left to the discretion of the institution: i.e., no particular combination or "balance" of activities is required by the law, the regulations, or the operational guidelines.

B. Other Dimensions Characterizing Developmental Activities

1. Classification of Developmental Activities as Temporal or Continuing

Whether one employs essentially the activity content classification scheme involved in the Title III specifications, or the function-oriented classification in our tripartite fiscal-management-program formulation, another potentially useful dimension has to do with whether the developmental activity is temporal or continuing (in actuality as well as in intent).

By "temporal" we mean a one-time-only series of events that are expected to lead to greater quality of efficiency or mission, or of capacity for positive change (e.g., a successful faculty training activity, a management reorganization) that leaves a useful residue. A "continuing" activity is one that leads to a continuing new operation that requires continuing support. There are frequent examples of each of these two types of activity among those that have been supported by Title III.

Evaluation of impact of temporal activities on institutional development involves not only an evaluation of any products the activity itself accomplishes, but also an examination of the institution on a before-after basis on any of the activity-relevant dimensions of institutional development: e.g., fiscal stability or improvement; quality of program; appropriateness of mission; impact on target students. In most instances of this sort, positive impact will be difficult to detect reliably, principally because impact and consequences may be diffuse, but also because the particular activity is but one of many forces operating at the institution.

2. Classification of Continuing Developing Activities in Terms of How Later Operational Support is Attained

Most Title III activities are concerned with the development of a program or process that, after developmental investment including pilot testing, becomes a part of the regular, continuing functioning of the institution. For such a developmental activity to graduate to operational, regular status,

continuing fiscal support is generally required. Such an activity may be successfully institutionalized (i.e., its developmental potential validated) only if either:

a) funds for the new activity costs can be generated by the activity operation either through new revenue or cost savings achieved through the activity itself, where institutional policy allows such increase or cost savings to be invested in continuance or surplanted funds to be used; or

b) funds for the activity costs can be and are displaced from less desirable activities; or

c) the case for new funds for activity costs can be and is successfully sold to the regular fiscal authority (if publicly supported) or to a new support source (public or private institutions); or

d) the case for the urgency or desirability of increasing revenue in general to cover the activity is made sufficiently by the experience that revenue generation activities in general are deliberately and effectively enhanced; or

e) new or operational costs are insignificant (e.g., although substantial start-up costs may be involved--for equipment, faculty retraining, consulting assistance, etc.--a modified but no more costly program is in place).

It should be noted that developmental activities leading to ongoing operation pose distinctly different kinds of propositions for institutionalization by one or more of the avenues to fiscal support, as a function of their attractiveness to decision-makers and of the options open to the administration. In short, some activities are more easily sold than others; some regular funding authorities buy or permit some kinds of things and not others. The ultimate programmatic activities may be facilitated or hampered by different forces in the institutional context that have built up over the developmental period. Foundations support some kinds of activities and not others; governing boards have their own priorities and predilections; institutional administration has broader agendas than those of its particular program operators at division or department levels.

3. <u>Classification of Developmental Activities in Terms of Source of Startup Support</u>

All institutions engage, in effect, in developmental activity in a broad sense: various changes take place as a function of such matters as the times and economy, the evolution of knowledge and technologies, changing

student markets, etc. What takes place, particularly as a conscious effort to change or adapt, is reasonably defined as developmental activity.

The concern of the inquiry reported in this volume, though not blind to regular evolutionary changes, focuses on developmental effort supported in whole or in part by temporary support specifically for development and try-out. Thus, another dimensional dichotomy is invoked, which is (1) development encompassed in the ongoing momentum of the institution and supported by allocation of a portion of the regular, or more enduring, or "hard" revenue and which is not a particular focus in this inquiry; versus (2) developmental activity supported by investment of ("soft") funds acquired or granted by an outside source for that purpose, which is the very particular concern in this inquiry. This latter kind of activity, though important principally in the minor sense of attendant restrictions and liberties attached as conditions by the source, may be further classifed in terms of the provider of support.

It appears useful to recognize, among external support sources, activity supported by Title III; by other temporary Federal investment (e.g., the Cooperative Education Program, the Trio Programs, the Fund for the Improvement of Postsecondary Education, NSF, some experimental projects handled through the National Institute of Education); by foundations; by business and industry; by private benefactors and, in an increasing number of instances, by gifts acquired variously through special foundations set up by the institution itself. We note that a wide range of auxiliary enterprises, from athletics to hospitals, also may provide special support, and that windfalls sometimes occur in this operation that can be put to special development purpose; in the current inquiry, development financed through such sources is considered in the category of routine and regularly supported enterprise.

C. Activities in Terms of a Simple Model of Institutional Operation

Section A of this chapter provided a gross taxonomy of activities with emphasis on content, but qualified by the guidelines for decisions and judgments involved toward assuring that Federal funds be used for purposes deemed legitimate in terms of the Act and public interest. There is an assumption, presumably based on experience at this point in program history, that these particular classes of developmental activities (1) can reasonably be supported (or support themselves) in one way or another outside continuing federal support, once development costs are covered, and (2) can and do contribute in

reasonable ways to the overall viability of the institution and its continuing functioning, with particular regard to its accommodation of students of limited financial means. Verifying these assumptions, rather than simply making them on logical grounds, is a necessity for understanding how discrete developmental activity may contribute to institutional development.

As we examine the particular activities in relation to these assumptions (as will be done in the following two chapters), it is useful to do so within a theoretical framework that classifies activities in functional rather than strictly content terms. The working model for this includes our three function domains (fiscal operations, administration and management, and program and support service offerings) within a broader view of institutional operation based on the convergence of structure and function in arriving at overall institutional condition. This is the model has been outlined earlier (i.e., in Chapter I, Section D).

A given development activity may be designed to improve the structure of the institution--that is, what it has to work with--or to improve its functioning (that is, how the structure of resources is employed). Yet, such a two-way classification does not seem satisfactory for distinguishing discrete developmental activities for study, given that activities so designated as developmental units under Title III in many cases involve both structural and functional change and may do so for different periods of time within a given activity. We must ask: what are the most essential classes of activity represented in the Title III proposition? Our answer--for purposes of this study--is the three-way division into fiscal, administration, and program domains, each with particular definitions of the kinds of developmental effort that appear to fit. As noted earlier, there is some necessary overlap among domains, but they do provide a working model for easier treatment of the findings.

It is also useful to distinguish between overall program and activities within the three domains. The fiscal program, the management program, or the education program each consists of the institution's total approach to that particular function. Developmental activities in each area, on the other hand, are components of these programs. Our case study focus was on developmental activities (which in some instances could be broad enough to encompass a program, but in most instances represented a piece or a reflection of the program).

Activities, in turn, will each involve one or more operational strategies or processes. The concept of strategy is important, for it not only expresses the thrust of the activity, but also suggests the potential output that is in actuality sought, thus revealing the place of that output in a broader concept of program functioning toward institutional development. A given activity *per se* may employ a considerable variety of strategies. For example, in the fiscal area, activities such as development of accounting and fiscal management systems or fund raising or funds replenishment may employ strategies or mechanisms that include: staff training, bringing in consultants, setting up hardware and developing software, creating alumni files, and specialized campaign approaches. In the education program domain, specific strategies encompass: accomplishing accreditation, new academic standards, tutoring, active faculty involvement in recruiting, setting up internships, and several sorts of faculty development. Within such strategies there are important distinctions among substrategies or approaches directed to particular outcomes that in turn help to accomplish the larger objectives. Finally, it should again be noted that institutions package content and strategies in a considerable variety of ways to form an "Activity." In fact, it may be the dynamic interaction of strategies that causes a particular Activity, as defined for this study, to have unusual developmental potential.

Finally, we would anticipate that the three basic domains of developmental activity (and, to some extent, different strategies employed within each domain) will impact on condition or future condition of the institution in different ways, as a function of the Activity, its basic objectives, and the continuous formulation of priorities as a part of institutional functioning. Some may operate to impact directly on condition--e.g., a development program established to increase amount and sources of revenue, or a program designed to attract a new student constituency that may "pay its own way." Inasmuch as "quality of program" is also an expression of condition, curriculum revision or improvement of instructional procedures which results in enhancement of quality of the educational program is also impacting directly on condition, though it is obvious that quality is a more difficult construct to define and measure than is an index of revenue.

Other developmental Activities may not impact directly on condition, but on the two concepts postulated in our model that in interaction establish or produce condition--i.e., structure (including resources) and functioning. An

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example is equipment acquisition for use in strengthening management and academic program, or a program designed to improve funds management. It is not enough to show that these Activities impact on structure or functioning as an end in themselves, but that they result in a positive change in institutional condition as the outcome of the structure/ functioning interaction. For example, acquisition of a computer may permit more efficient funds management or more effective instruction, but may cost more for maintenance or updating than is realized through associated savings. The proposition of affirming positive developmental impact becomes more tenuous when the computer is also used (as is frequently the case) for instructional purposes, which involves for assessment purposes the more measurement-elusive construct of program quality.

For the remaining chapters in Part III (which is concerned with developmental <u>Activities</u>) our basic classification system will characterize and group the Activities principally as a representative set of developmental approaches in one or another of the three domains--fiscal, management, or program. At the same time, the other sets of dimensions will have frequent relevance, and will be invoked as appropriate.

Chapter VI

The Nature of Effective Developmental Activity

In the site visits, certain developmental activities were examined in depth. This chapter provides, first, an operational definition of what constituted a discrete developmental activity for study purposes. Then, the procedure for examining and analyzing the activities is described, with particular regard (1) to general criteria defining successful activity contribution to institutional development, (2) to the procedure for applying these criteria, (3) to the characteristics of the developmental activities that were examined, and (4) to a summary description of the developmental activities selected in terms of their content and the preliminary evaluations.

A. Operational Definition of Developmental Activity Used in this Study

As noted in the previous chapter, anything that an institution does (or neglects to do, for that matter) involves some level of revision and/or adaptation to the ever-changing context in which it functions, and can thus be termed developmental activity. Leaving out the attendant restrictions on certain specific kinds of expenditures, the activities named in the Title III legislation cover almost every developmental or operational arena that may involve concerted effort toward institutional change; thus, developmental activity as defined by Title III subsumes most aspects of institutional functioning. At the other extreme, the term development could be restricted only to what the institution's development office, if it has one, happens to do.

For purposes of selecting activities for review, we established a definition that was affected substantially by the practical need to define a particular configuration of intent, effort, and strategy as a unit of activity--so that its objectives and parameters, the relevant contextual factors affecting its progress, and the potential specific contribution to institutional development might be assessed with some consistency across institutions. Thus, for this study we determined that our definition should be reasonably congruent with what has become standard practice in operating various Title III activities. More particularly, a developmental activity was operationally defined as follows, so as to include developmental purpose, content, budget, direction, documentation, period of operation, and external resources:

1. Nature and Purpose: The activity is essentially developmental in nature--that is, its purpose is to improve the fiscal viability and self-sufficiency of the institution by direct or indirect means, such as increasing resources, improving efficiency of operation, improving quality of educational program or support services (particularly for students from low-income backgrounds).
2. Specificity of Plan and Structure: The activity is described by a formal plan prescribing purpose, general nature of strategies, expected outcomes or changes, time lines for accomplishment, etc.
3. Fiscal Accountability: The activity is assigned a discrete budget for its conduct.
4. Designation of Responsibility for Activity Conduct: The activity involves one or more faculty or staff, with a single individual (or committee) designated as responsible for its management and conduct.
5. Documentation of Progress or Outcomes: Records of progress--in terms of milestones, accomplishments, outputs, impact measures, or consequences--are maintained.
6. Time Period: The activity has operated within the last 6 years, although it may have been initiated before that.
7. External Resources: The activity is funded, in whole or in part, by external resources such as Title III, foundation, or other grants.

B. Definition of Successful or Effective Developmental Activity: Criteria

As noted earlier, the study's focus was not on evaluation of the impact of Title III or other soft money developmental investment, but rather on describing the essential features of selected developmental efforts that had served their purposes and the institution's developmental needs well. We were seeking developmental activities that had made a difference in the developmental status and condition of the institution. This approach dictated that both the nomination of specific activities and some aspects of the determination of their impacts and outcomes be done in the institution's own terms. Although the effort was directed toward identifying successful activities, there was clearly considerable variation among those nominated and examined on such immediately obvious characteristics as rate of progress (against similar activities on other campuses), the substance of what had been produced, the reactions of the consumers, etc. It will be recalled, also, that nominations

of Activities were requested in the fiscal, administrative, and program domains; some institutional nominators felt that they had been more successful in one domain than in the others.

It was therefore felt necessary to impose other criteria on the nominated Activities, to affirm those that were indeed likely to make a difference. In terms of study emphasis on improvement of institutional condition, it would seem advisable to assign "effectiveness credits" only to those Activities that demonstrated unequivocally a direct impact on institutional condition according to given criteria in dollar, enrollment, or other terms. On the other hand, to do so unilaterally would be to miss other definitions that institutions themselves obviously employ because of their own situations and values.

In order to account for both these points of view--and at the same time avoid assessment of success on clearly ephemeral or unsubstantiated grounds--certain rules were established for the assignment of effectiveness criteria at the Activity level. These included: (1) recognizing that some Activities could have only diffuse and subjectively assessable outcomes and consequences, while others might impact quite directly and visibly on institutional condition; (2) agreeing that strong future potential impact on condition (or on structure and function such that future effect on condition could be surmised) should be considered, so long as there was a reasonable consensus on the campus and a corroborating report from the specialists; (3) taking into account that some Activities were not yet "complete" in the sense that either certain objectives remain to be fulfilled, formal external support was continuing beyond the 1981-82 academic year, and/or that closely related <u>new</u> aspects were already being implemented; (4) recognizing that some Activities were one-time efforts with expected residuals while others were intended to become operational features of the institution; and (5) acknowledging that some outcomes have value for other reasons than their direct application to institutional condition now or in the future.

In other words, the collection of some 150 Activities was not a set of absolutely definable efforts capable of being neatly classifed into one or two Yes-No outcome categories. It was necessary to establish and implement judgmental criteria that took into account the realities of the ways institutions operate, their definitions of Activity and of effectiveness, unique situations that qualified success one way or another, and the actual time tables for

Activity implementation, as well as explicit or implicit differences among Activities in the three domains and their possible interactions.

Success at the Activity level was thus tentatively and generally defined as follows, with the understanding that fulfillment of all these criteria was not required and that a major variable is the level of "completedness" of Activities. A successful developmental Activity--in any of the three domains--has some or all of these characteristics:

1) The Activity has (or promises to have) recognized and recognizable value in relation to its objectives and place in the institution or in relation to its consequences for the institution;
2) There are detectable positive outcomes and consequences that outweigh detectable negative outcomes and consequences;
3) The Activity contributes in demonstrable ways to institutional condition--e.g., it attracts new revenue, it provides a necessary function at a lower cost, it increases or stabilizes enrollment, it improves the quality of instruction or instructional resources, it places the institution in a better competitive position for students or new revenue, it leads to a greater capacity for change in positive directions;
4) Along with other effects, it has such valued (but not necessarily anticipated) outcomes as improved morale, provision (or coordination) of standard services not available before, models for development and change in other units, clarification of mission, enhancement of program distinctiveness.
5) It is accepted or valued and utilized on a continuing basis, by the relevant constituent members of the institution (administrators, faculty, students) in terms of its original or revised purpose.

In the application of these criteria, special attention was given to any evidence that the Activity was (or had the potential for) generating its own support, through producing or attracting new revenue or cost efficiencies. Unfortunately, good evidence of this sort was seldom available. Many Activities do not lend themselves to clear-cut analysis as to revenue generated or cost savings; some Activities involve no additional costs after development, and some Activities (e.g., many of those concerned with the improvement of quality) bring additional costs, not cost savings or immediate new revenue. As an alternative, we were particularly attentive to the degree to which the

institution was assuming support (or, for Activities in the operational phase, the fact that the institution was operating the activity within its regular budget), and the degree to which the institution's overall fiscal status appeared sound or clearly improving. This places some burden of judgment on the institution, which is where it should be, although sufficient time to determine ultimate outcomes will provide better evidence as to whether decisions to operationalize an Activity were indeed sound.

C. Classification of Activities on Success Criteria

Each of the three analysts who had earlier rated overall institutional development by domain reviewed all Activities appropriate to each domain with particular attention to Activity outcomes. In some cases more than one specialist studied given Activities, especially where intents and outcomes related to both the fiscal and administrative areas.

The general criteria were applied to all Activities reported, although certain criteria turned out to be more appropriate to some than to others. For example, a funds development Activity lends itself to examination of effectiveness in terms of dollars produced less cost of operation, while a new instructional media development center must be assessed within the practical limits imposed on the study in such terms as faculty attitudes, usage, and apparent quality of products for their purposes. As noted earlier, it was also necessary to distinguish between temporal and continuing Activities, as each of these types did indeed occur in each domain. Equal attention was given to any absolute findings (e.g., enrollment changes, dollars saved) that could reasonably be attributed to given Activities, and to the overall quality of outcomes including their implications for future change in structure, function, or condition.

1. Principal Mode of Arriving at Ratings

The individual Activity reports of the field team members were relied upon for major observations regarding the nature, value, and meaning of various outcomes, although these Activity reports were reviewed in the context of summary reports by each specialist on the functioning of the institution in the broader domains (fiscal, management, program). The Activity report formats were structured to solicit information and views on Activity outcomes in connection with the following resources: comments by chief officers and administrators, Activity directors, Title III coordinator, and where appropriate, also faculty and students; review of internal and external evaluation

reports; study of direct sorts of documentation; and observation of utilization and products of actual implementation. The various items in the domain summary reports also provided opportunity for noting given Activity outcomes, especially where applications of Activity products were included more broadly on the campus.

Field visitors were charged with characterizing developmental Activities on a number of discrete aspects. Although there was considerable dependence on the knowledgeability and expertise of the visitors, where these aspects involved judgments of quality, the evidence and rationale for those judgments was to be cited or reported for purposes of the analysis. The essential dimensions for reviewing and reporting each Activity were:

a) Origin of the Activity, or institutional needs, involving perceived deficiencies or other basis which serves to prompt the objectives prescribed for the Activity.

b) Objectives, in terms of both (1) what the Activity was supposed to accomplish as an entity in its own right and (2) how the expected outcomes were perceived or rationalized as potentially contributing to institutional development.

c) Input, or what the Activity had to work with in terms of staff, resources, raw materials, etc.

d) Activity strategies, which are the essential mechanisms the Activity employs to reach the objectives, or the characterization of the processes employed.

e) Plausibility, or a (logical) judgment as to the appropriateness of the strategies for achieving the two classes (activity level; institutional level) of objectives, or the likelihood that exercising the strategy will accomplish the objectives.

f) Impacts, or what the Activity has assuredly accomplished in terms of the immediate (or ultimate) outcomes specified by the objectives.

g) (Unintended) consequences (with particular regard to development), or any end product, condition, or status, of positive or negative value, that is different from or in addition to, the prescribed and intended objective, and that results from the interaction of the activity process and/or outcome with the institutional context.

h) Fit of impact and consequences with each of the two classes of objectives.

While the final three entries above are related to outcomes, it is clear that information on all preceding elements was needed in order to be able to arrive at observations about outcomes and interpretations of their significance.

A principal challenge in the field as well as in later analysis was to ascertain the validity of attributing various outcomes to the operation and completion of individual Activities. Empirical data on impact were largely unavailable, or were insufficient to provide an adequate test; thus, this validity assessment was in most cases simply not possible. In general, however, the assessment that a given Activity had contributed to stated outcomes seemed relatively straightforward on logical grounds in most instances, for the stated outcomes tended to be more Activity-specific than directed to their potential broader impact on the institution.

A related challenge was the attempt to distinguish among true impacts (expressed as the ultimate benefits inherent in Title III intent), outcomes, effects, byproducts, and consequences (whether intended or not)--and to catalog these in the analysis. As it turned out, all these terms have been utilized in describing the operation and meaningfulness of Activities in all three domains. Very often precise impacts (such as a significant increase in enrollment, or amount of dollar savings in three years via MIS efficiencies) did not materialize in the form or time period anticipated, but other sorts of outcomes--particularly byproducts or effects on other persons or functions--did occur in recognizable ways.

With these observations in mind, the essential task of the field visitors was to characterize the selected developmental Activities reviewed in terms of an "Activity history," permitting particular attention to these fundamental questions:

a) What are the outputs and consequences of the Activity (and how adequate are the evidences therefor)?

b) For developmental Activities leading to continuing operation after a developmental period, what degree of institutionalization has taken place (and how was this achieved, at what costs)?

c) What is the institutional condition, and what impact of the Activity thereon can be detected?

d) What threats to continued operation of the Activity can be detected or argued for?

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The essential task of the analysis team was to use site visitor findings and judgments in arriving at individual Activity ratings and then studying resulting groups of Activities for common or unique features, significance for institutional situations, and implications for the overall process of institutional development.

2. Results of the Rating Procedure

Individual Activities were rated across all appropriate criteria for each domain and for certain Activity categories within domain. The net result of this task, using the preliminary criteria outlined in Section B of this Chapter, was application of a 3-point scale with the following overall results:

	Rating			
Domain	Strong	Neutral	Weak	Totals
Fiscal	22	11	6	39
Administrative	22	12	14	48
Program	25	28	10	63

We turn now, in the following chapter, to an examination of the factors found associated with the degree of success of the developmental Activities.

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Chapter VII

Factors Associated with Effective Developmental Activities

This chapter examines the factors found associated with successful developmental activities. Activities reviewed in the general administrative improvement area include MIS, PME, and MIS/PME development; institutional research; long-range planning; and "other" activities. In the fiscal improvement area, developmental activities include fiscal accounting system development, resource enhancement planning, and fiscal managment planning and improvement. In the program improvement area, developmental activities include new academic programs or majors; strengthening, refining, or upgrading existing programs; instructional enhancements to instructions; and student support services. Successful activities in each domain are generally described in such terms as their origins and objectives, the inputs required, implementation strategies, problems experienced and solved, and their impacts on and consequences for the institution. A final summary section discusses some factors that appear to be common to success across all types of activities.

A. Introduction

The nominated Activities were reviewed by the three analysts involved earlier in the institutional level analyses, with separate attention by the appropriate analyst to each domain--administrative, fiscal, and program. The prime focus in this examination was the Activity-specific material--the description of the Activity in the original application or operational plan the report of the semi-structured interviews concerned with the Activity, the progress reports or products collected. However, review and frequent reference to other case study materials--on the institution in general, and on the other developmental Activity reports--was also made, toward understanding the context in which the Activity played out.

A first step was a sorting of Activities in each domain into topical categories, to permit examination of clusters of Activities related in terms of having common objectives and strategies. This was, at best, a procedure involving some approximation: as noted elsewhere, institutions package Activities in different ways, and similar names or labels can cover a

diversity of approaches. But, because the differences in Activity objectives and strategies have major implications for what may be required, and what may constitute success, the subgroupings were required, and the report of findings that follows considers each subgroup separately. These subgroups, by domain, are:

<u>Administration Domain</u>:
- MIS Development
- PME or PME/MIS Development
- Institutional Research
- Long Range Planning
- Other: training of administrators, developing a development office, self-study, program evaluation, new administrative unit development, recruitment of students, or general administrative developmental support

<u>Fiscal Domain</u>:
- Fiscal Accounting Systems
- Resource Enhancement
- Planning and Improving Fiscal Management

<u>Program Domain</u>:
- New Programs and Majors
- Strengthening, Refining, or Upgrading Existing Programs
- Enhancements to Instruction (methodology, academic services)
- Student Support Services

Before moving to the statement of findings, some words of caution are in order. First, the Activities nominated do not represent a random sample of developmental Activities, but were selected from variable pools; although an attempt was made to focus on Activities that had made a difference, the procedures and standards for this judgment varied from institution to institution. Second, while there were three <u>institutional</u> observers, most <u>Activities</u> were examined on site essentially by one observer; and, the highly technical content of some activities was not always a prime component of the expertise of the observer (although there were careful efforts to select site visitors appropriate for the particular pre-determined activities). Most important of all limitations, however, is the fact that relatively few Activities in any given sub-category were studied. A careful study of the impact of any particular kind of Activity, and the variations relevant to its successful application, would require more rigorous specification of Activity content, and a larger number of Activities of the particular kind. In short: the search is somewhat general, and directed toward identifying relatively broad factors that appear to be associated with success.

Finally, it bears repeating that the basis for judgments was the Activity history reported by field personnel, culminating in observations about outcomes, impacts, and consequences. The history itself is the principal subject of the discussion in this chapter, since that is what provides the intent, objectives, chief strategies, internal dynamics, nature of inputs, problems faced, and larger operating context for the individual Activity--and all of that in turn serves as the basis for defining what went into the accomplishment of effectiveness and success. As will become apparent in the following analyses, there is some unavoidable overlap in the components of the development path, in that a given planning action might appear to be part of the origin in one case but a chief later strategy in another; or that some stated objectives appear to be strategies and vice versa; or that the accomplishment of implementing strategies was sometimes viewed at the institution as attainment of outcomes or effects. These are critical qualifications which must be understood as factors in the analysis and also as factors affecting the way different institutions perceive and work in their own situations.

B. Factors Associated with Effective Management and Administration Development Activities

1. The Nature of the Activities Reviewed

There was frequent difficulty in determining whether an Activity should be assigned to the management or fiscal development area, in part because so much of general management activity is concerned with fiscal matters. This was particularly true for the four most frequently nominated management Activities, which were: Management Information Systems (MIS) Development (10 Activities); Planning, Management, and Evaluation (PME) (11 Activities); Institutional Research (IR) (11 Activities); and Long-Range Planning (LRP) (5 Activities). In addition, Activities placed in any one of these four categories frequently involved components, functions, or objectives of one or more of the other three.

Thus, strict classification into one or another of these four categories, or separation from similar or similarly labeled Activities assigned to the fiscal development area, is somewhat arbitrary, partly because of the interrelationships and overlap, but also because the titles are used somewhat loosely and variously. The focus in this section, for activities in these four main categories as well as in other less frequent management development

activity, is on Activity meeting the definition for developmental activity which focused on general administrative and management improvement (which might include fiscal components), as opposed to emphasis strictly on fiscal accounting or resource development improvement.

It seems significant to us that of the 48 Activities nominated in the general management development domain, the majority (37) selected were Activities in one (or a combination of) the four main areas cited above. Other Activities classified as general management development (N=11) involve: trustee or administrator training (2); development of a planning and development office (1); self study (1); program evaluation (1); new organizational unit development (3); recruiting (1); and administrative support (2). At least one of the management Activities in the last category reviewed turned out to be a non-activity; it was simply an umbrella to cover a much-needed assistant to the president to handle a variety of administrative detail.

The abundance of effort under one or more of the four most frequently nominated Activities is probably a function of several factors. First, each has frequently constituted a reason for validating computer equipment purchase or lease, a highly attractive acquisition under Title III for those colleges without automated administrative and fiscal data systems (as was the case in the early or mid-70s for most of the institutions studied, when many of these activities began). Second, as a new venture on many of the campuses visited, the simple presence of such technology with one or more components up and working may have preempted Activity nominations of less dramatic but potentially more influential workshops, new structures for planning, administrator development activities, or other management development activity. Also, it is noted that slightly more than half of the institutions studied were participants in the AIDP program of Title III, which placed heavy emphasis on long-range and short-range planning, and these particular strategies. Although good data (which would involve better taxonomies) on the frequency of Title III awards in the management improvement area are not available, the kinds of Activities nominated could reflect the kinds of awards made in this area.

It may also be that management development is viewed as a growth-from-experience proposition, or that management is a process of carrying out developmental functions, and that the most exciting management development practices eluded our discrete developmental Activity definition because they

were an integral part of the administrator's daily approach to the challenges faced. This may pose some particular challenge to the Title III distinction between "development" and "operation."

2. MIS Activities

The ten MIS Activities reviewed in this subsection were Activities characterized primarily by the acquisition of hardware and software (and/or software development) to automate general administrative and operational data systems. Although fiscal accounting functions were sometimes included, the focus in these particular Activities was on admissions, student financial aid, transcripts and other student records, registration and scheduling, or provision of data required by external sources (e.g., HEGIS). (The MIS Activities concerned essentially with fiscal accounting functions are separately reported in Section C of this chapter.) As such, their principal developmental function would logically seem to be an increase in the efficiency of producing necessary routine operational data, and any other benefits that might accrue from more timely and consistently structured student or institutional descriptive data involved. Though Activity objectives and practice often invoked other uses (i.e., systematic provision of data for planning; data base for institutional research; basis for later development of a PME system), the essential focus in these Activities was on particular products for which consumers already existed, who generally knew what they needed, and who had been receiving such products from manual production methods in the past.

A first observation believed significant was that none of these ten MIS Activities were located at institutions evaluated negatively in the fiscal, management, or program domains (though some of the institutions rated negative on overall developmental status had such Activities funded under Title III, none volunteered them for special review). Yet: there seemed to be no pattern between the global evaluation of institutional management and the effectiveness of the institution's MIS Activity (judged essentially on the basis of routine and timely production, after 2-3 years of development, of useful and accepted products for the faculty and staff concerned, without dramatic negative consequence).

This highlights a number of features of the origin and perceived objectives, development, and management and control of these particular Activities. Though frequently rationalized as to provide planning, evaluation, or research

information, the essential objectives appeared to be principally the acquisition of equipment and the more efficient and timely production of routine operating reports and records that had heretofore been produced by manual and clerical methods. In all but one instance, the originator was an individual on the administrative staff concerned with administrative services (the one exception was a chief administrative officer). All but two of the ten MIS Activities were vested, for development, in a specialist concerned with computer information systems technology; the other two were placed with administrative staff who utilized programmers or consultants for software selection and development, and for the sequence of tasks ranging from data entry to report production (without notable success or progress in either case, we should note). Finally, success in getting a reasonable system up and working seemed to be derived primarily from two factors, both characteristic of the Activity director: the first was technical competence in establishing ongoing data systems that could be adapted to various current needs, and the second was interest on his or her part in working with other staff producers or consumers of routine and periodic data toward improving its accuracy, timely delivery, and relevancy to all needs of the producer or consumer.

One of the most visible and impressive successes in this area was not an Activity initially selected for review, and which, though with equipment supported largely by Title III, was directed toward another purpose. This was a campus that had made heavy investment in micro- and mini-computers for most administrative offices, and had added to the fulltime institutional staff a former assisting agency staff person found most competent and helpful. Some 16 small computers were purchased for a new instructional program and, while classroom space was being slowly readied, these computers were placed "on loan" with the department heads throughout the institution. The former consultant, now assistant to the president for management systems, was most adept in creating curiosity in what could be accomplished and in informal instruction, with the result that computer literacy--by the faculty and administrators in general--was becoming as prevalent a skill as finding one's way in the library.

Our criterion of success (which essentially in this instance is a reasonable number of system components up and running) seems simplistic; yet, the ten systems, with formal development all starting in the 1973-78 period, demonstrated a wide range of accomplishment, ranging from no visible accom-

plishment by 1982-83, to the smooth production of transcripts, class registration records, financial aid reports, head count data, space utilization information, or student accounts data (and, in several cases, with smooth transition in the interim to upgraded equipment and more general purpose programming). Where the Activity director had failed to get his act together, there too frequently seemed no great concern or pressure on him; the goal was not new service but improved service, and where progress was slow the older procedures continued as usual. Two of the much lagging Activities were parts of a consortium of several institutions hoping to capitalize on a common computer facility; each institution had taken on the development of a category of administrative data for itself and the others, with the finding that much time was needed to standardize agreeably the input documents of the several institutions. It should be noted that one of the essentially fiscal MISs judged highly effective involved a similar arrangement (one computer center serving several institutions), but in this instance the Center provided competent programming staff to work with each institution solely on its own terms--also desirable because of the confidentiality of the data. Where the technician had gone ahead to create the structure for several records systems, progress was more marked than when administrators/consumers busied themselves first with what detail they wanted, with later presentation of specifications to the technician.

In summary: those Activities classified as general MIS development were frequently motivated by the chance to acquire desirable equipment; as these Activities operated, their impact was essentially to modernize and streamline some essential day-to-day operational procedures, not really to suggest new vistas for planning and development, or to improve administration and management structure per se. Their progress appeared to vary largely as a function the technical competence and service interest of the Activity director and his or her key staff.

3. PME or PME-MIS Activities

Eleven Activities nominated and selected for study had the term PME or PME-MIS in the title; in the statement of Activity objectives, some aspect of planning for month-to-month operation seemed primary, and any MIS development seemed secondary or instrumental to the prime objective (although in one instance with formal Activity beginning in 1975, the typical MIS function of

producing housekeeping data had clearly displaced earlier planning emphases which had failed to produce any visible accomplishment).

The PME Activities reviewed placed their formal origin between 1971 and 1978, with Title III funding beginning in 1974 or a year or two later; thus, most predated Title III support to a greater extent than was true for the Activities in the MIS category). All institutions involved expressed in some way a recognition of the need for better short and/or long range planning; five stated clearly that original involvement (starting in these cases with Title III support) was also abetted by this particular Activity being a requirement of the larger Title III AIDP package or placed the impetus on a strong Title III coordinator (and, considering the condition of the institutions at the time of award, this was not unreasonable). Several had, with governing board or presidential impetus, recognized a need for more systematic approach to decisions affecting revenue and budgeting, with two of these instances associated with concurrent faculty task force activity; in one instance, a formal institutional self-study noted the absence of any systematic planning, which a new president took strongly to heart and mind. In another instance, the Activity appeared to have been initiated by the chief fiscal officer to get a better handle on projection of costs and detection of sources of unreasonable expenditures.

In terms of actual objectives, however, the term "planning" is about the only real consistency among these Activities: what this "planning" in practice consists of is an assortment of subactivities variously including one or more of the following: study and clarification of mission; production of personnel or operational manuals; analyses of costs by program unit; an individual performance evaluation program; adoption of a management-by-objectives system; training of administrators; or acceptance of a packaged system for some routine housekeeping functions from a consulting firm or assisting agency (which for the PME/MIS Activities appeared to be a positive experience in only one instance).

Three of the PME/MIS Activities appeared to be serving the institutions in truly vital ways related to planning, with general positive recognition of benefits by the president, other administrators, and faculty. As was true for the total group of PME activities, these varied in objectives and content, but had several characteristics in common: origin clearly predating the Title III impetus, with board and/or president and/or faculty committee calling for

formal planning activity; components concerned with analyses of costs against some criterion of productivity; formal training of administrators and/or participating faculty by outside specialists; the vigorous support of the president; and the involvement of the faculty or department head participants in applying cost analysis criteria to projections of budget line items of concern to the... and recommendation of priorities.

The ot... vities were judged to be of only routine acceptance and impact. Each of these seemed to present its own unique set of circumstances accounting for limited progress. Two institutions had changed presidents after the PME activity was started, with regrouping or change in emphasis and involvement of others a function of the new leader's style (given the fact that few seemed to make any real progress in less than 4 or 5 years, the change, in itself perhaps not unreasonable, seemed to start the devlopmental cycle anew). At least two institutions had produced mission/goals/planning documents with campus-wide help that were of uneven quality and served mostly for records purposes, not really for action by anyone (though the exercise of producing them was felt by the site visitors to have been useful for the participants). Two institutions of modest size and structure simply tried to take on too much, with too little direction in one case, too much from an assisting agency in another. One of the institutions, however, attributed a quick turnaround in progress to the clear failure of the consultant-imposed system, and the consequent recognition that something less complex and less theoretical was needed (the new adoption was essentially an industrial model). Another experienced a turnaround when initial imposition of planning decisions by an authoritarian president reportedly spawned an active and aggressive faculty and student rebellion, forcing more widespread involvement in goal setting ...mmendations of priorities. One PME Activity was in trouble (which was being quickly straightened out) because the assistant to the president with overall responsibility was presumed to have assigned himself line rather than staff authority in his new basic planning document.

None of the PME Activities was heavily staffed; the usual pattern was a half- to full-time coordinator or director with secretarial and voluntary individual or committee assistance. This individual was generally someone perceived to have a sense of the politics of higher education; none were particularly skilled in institutional research or information system technology per se, though most had a related counterpart staff member responsible

specifically for any associated MIS (and if also involved, for the IR component as well). It was interesting in this connection that for the combined PME-MIS packages, only one of the Activities reportedly made any real progress in developing the MIS components, either to serve the PME needs or the more general institutional housekeeping functions; the one exception was the PME-MIS Activity initiated by the chief fiscal officer, where the planning function had floundered for one or another reason, and the MIS director had taken off with useful housekeeping products clearly overshadowing the floundering planning and evaluation functions, which had virtually disappeared. In one instance, the PME function was assumed by an individual originally misplaced, local sources believed, as director of the IR function, who did not do any research, but who seemed adept as a coordinator of planning. One institution, beginning its PME Activity in 1974 and assuming Title III support in 1977, had made no progress at all; this seemed to be a function of no attempt to get outside help of any sort at any point, as well as administrative lethargy or disinterest.

In a broader sense, these Activities stress planning principally as a process, with the data inputs mostly a supporting technology. The success of the planning process appears to depend more on its structure, logic, apparent fairness, and acceptability by those affected than it does on the authenticity, completeness, and persuasiveness of objective data collected; the planning process always seemed to require operational modalities with which the president felt completely comfortable, and the presidents involved represented a variety of dispositions, management styles (democratic, authoritarian, or laissez-faire), and respect for well-defended statistical data vs. logical analysis and verbal reasoning. And finally: the naivete or inexperience of the institutions in planning as a system, combining with the concurrent need to develop supporting MISs as well, the complexities of the political situation, and perhaps the newness of any systematic planning effort for these institutions, all served to make full and quick positive application difficult. Simple imposition of the PME Activity from outside (as by Title III requirement) had some positive payoffs, but these payoffs were seldom very impressive considering the larger needs of the institutions for more effective planning and decision making.

Some site visitors concluded, in effect, that the Title III press for PME Activity may generally have been more deleterious than productive. Some

institutions with considerable naivete took on the development without really understanding its purposes or addressing the most critical issues--such as integrating planning and budgeting functions; initial objectives were frequently unrealistic, yet they were retained on paper. The consequence in some instances was that the institutions believed they had an adequate system to protect themselves from hazzards and to guide further planning, when in actuality they had not accomplished very much. This observation will surely provoke debate in some quarters, but it underscores a potential problem in imposing a needed but complex technical system in a setting where the necessary sophistication to manage and utilize it properly is absent.

4. <u>Institutional Research Activities</u>

Institutional research, as an administrative development Activity, was nominated and examined at eleven institutions, the clear majority of which were judged to be in the stable or neutral category. Most were titled "Institutional Research," though several had appended some additional label (e.g., "and Evaluation," "and Long-Range Planning," "and MIS Development").

There appeared to be a fair amount of consistency in what these Activities encompassed. A number had their origin, and continued to function, as the office within the institution that would respond to outside requests for statistical information (e.g., the HEGIS activity of NCES; state or UNCF requirements); the majority were at institutions without MIS capability (although the two rated as excellent were striking exceptions). The principal activity was that of assembling primarily descriptive data on students and faculty, usually resulting in six to ten standard yearly reports and ocassional special studies (e.g., characteristics of students transferring, follow-up of alumni, community market surveys, etc.). There was occasional use of standard instrumentation (e.g., the ETS student biographical questionnaires) or standard survey data (e.g., the Astin national student survey data originating as a service of the American Council on Education). With only a few exceptions, the incumbent Activity directors were not social or behavioral research scientists or computer systems analysts, but selected faculty or staff from a variety of disciplines and levels (from former secretary/clerk to professor and department head). Seven of the eleven institutional research Activities had originated in 1975 or earlier; all were initially supported with Title III investment. Some had just been or were being phased out with loss of Title III funds. The key to survival seemed to be service to the president through ability

to provide data summaries or special compilations of personal interest to him at his request (although one of the two Activities judged successful had wholesale administrative and faculty support because of the responsiveness of the director and utility of her mini-studies for questions raised; the other, whose director was serving now strictly as the president's data gatherer and assembler, was trying with faculty support to move also in this direction). All were modest in scope, with the staffing mode being a professional, a secretary/assistant, and student or other temporary help for special activity.

In several instances, it should be noted that the institutional research office had been pressed into special temporary service to assemble special data required for self-study and/or accreditation. In these instances, the support was extremely useful and particularly valued. The larger problem, however, seemed to reside in the relative infrequency with which the need for particular special-purpose compilations was recognized, leaving the offices too much time to generate routine and regular reports that few needed or used.

The fact that a number of these functions were on campuses without automated data capability is significant. In several instances, the inability or non-responsiveness of a registrar or admissions office to put together its own data (or in one instance, an adamant refusal without additional support staff) had created the special office; these institutions continued 5 to 10 years later without notable change in this regard: having an office to provide these services relieved the other offices of the burden. Title III and the institution, in this instance, provided a patch to the hole in the dike, but failed to address the more serious structural rebuilding necessary.

Yet, no institutional research activity examined had expanded its original institutional research staff or resources to any significant extent (a few without institutional MIS backup had acquired microcomputers). None but the two judged successful (and one other serving principally a president) seemed particularly secure, and were continuing essentially on the minor support for staff salaries received from Title III. None of the less than successful institutional research Activities examined, incidentally, had had other soft money support at any point to our knowledge, nor much matching investment of regular institutional funds.

The nature of the two institutional research Activities judged outstanding suggests potential beyond that of being simply the poor man's substitute for automated data capability, which the others seemed to represent. These

successful offices were both remarkably productive, considering their modest staffing, because they were responsive to requests, provided a useful service, and capitalized on extracting special descriptive summaries from well-developed MIS data bases established for a variety of routine functions. Both produced some standard seasonal compilations, but were valued--to the point of being considered indispensable--for their capability to bring together information relevant to questions of concern or vital interest to faculty and administration, rather than for their routine reports. Both the successful IR activities frequently utilized fiscal information as well as student and academic program data. But most importantly: success of the activity seemed to be not so much a matter of the institutional researcher creating reports he or she felt would be useful, but creating reports that others felt would be useful on their request and prescription.

Before leaving this area, we take note of several potential hazards, not heretofore noted, that were suggested by the reviews. First, the successful institutional researcher (in terms of his continuance) seems likely to be an individual reporting to and serving well the institution's president, who values the products produced as well. Thus, in these cases, the incumbent IR staff person is tied to the tenure of the utilizing president, and survival across presidents seems unassured. Second: in at least one instance where this structure was actively in place, the fact that studies were not generally released on campus, and the fact that data could reflect on faculty and programs, left the rest of the campus uneasy and insecure: the IR person, totally dedicated to the chief administrative officer, could present evidence against an individual without his knowledge or right to present a defense, and the consequence was an apprehensive faculty. Third: the dedication of the IR staff persons to providing useful descriptive data at the request of senior administrative officers usually placed them more in the posture of assembling data to support a predetermined course of action than to examine alternatives for more deliberate decision.

5. <u>Long-Range Planning Activities</u>

The first significant observation about the five reviewed Activities concerned nominally with long-range planning is that they were found in institutions evaluated clearly and consistently either as positively developing or markedly declining. Also significant: four of the five appeared to be having

a vital and significant developmental impact, as perceived by the institution's officers and in reality. Further, positive rating of the Activity seemed clearly associated with the positive status of the institution (three of the four instances of successful LRP Activities were found at three of the nine institutions rated positively in all domains, while the fourth LRP Activity was located at an institution believed to be, with new president, at the turn-around point). The fifth Activity was the result of a name change (from Institutional Research) in 1975, but with the continuing emphasis on typical institutional research activities and products rather than on planning as a process; a resultant long-range plan had been produced, but there was evidence to suggest this was not a product of deliberate campus consideration, recommendations, and decision, but simply a piece developed for the new Title III application requirement, with no real coordination or review process.

Although the four Activities rated positively represent a high proportion of the five within the Activity class, and appear directly associated with positive institutional development, they are few in number. Yet, we believe that certain logical consistencies provide additional evidence for their positive contribution, and deserve careful elaboration.

The origin of the four successful Activities was clearly early in the last decade, yielding a 10-year history of progressive activity on the average; none traced their origin directly to Title III, with each having started as a developmental strategy three to five years before taking on support and momentum from that source. Origins for three were rather clearly in activity involving the faculty together with some important external reviewer--one appeared to originate from an accrediting agency critique emphasizing need for planning, and the other two grew out of self-study/accrediting activity. All four involved substantial help from outside groups, with good impact noted for training activity involving faculty and administrators in plan and process development (as opposed to the imposition of a particular plan). While at early stages these Activities appeared to be product centered--that is, the objective was to produce a discrete plan--the emphasis in each over time was to focus more on the planning process itself, to take on seriously the elements found relevant in the debates and forums created, and to develop content elements, criteria, and rules of judgment that all could live with. Support by the president, as in other successful Activities, seemed essential; the planning reports clearly made recommendations to the president, for

decisions by him and/or the board. The essential institutional participants associated with these successful planning Activities were, moving downward in line relationships, the board, the president and executive vice president, the chief academic officer, and the faculty or program representatives; the fiscal officer served to provide staff input, as did any development officer serving in the traditional sense. The president appeared in every successful instance to be the prime mover, with his board operating in a review and affirm posture.

The foci of these efforts are of interest, in part because of their contrast with the three other kinds of administrative development Activities reviewed in prior subsections. They were clearly not an Activity focusing first on data or data assembly capability in search of developmental relevance, but manifested a primary concern with certain topical concerns that would then dictate particular data needs. These topical concerns included: examination of mission in terms of history, current resources, and perception of market trends; attention to outside signals of needs or the existence of particular markets; establishment of formal developmental goals; projecting implications for present and potential programs; examining resources and their allocation, but making deliberate projection of savings or cost and support potential of prospective changes compatible with mission enhancement; setting criteria (including cost or productivity indices) for program evaluation and allocation of resources; recommending allocations and noting alternatives; and, monitoring and follow-up evaluation.

In two of the LRP Activity instances, there was some hiatus following the first trek through this cycle, which typically consumed 2 to 3 years' time; in each case, a dynamic president found a way to revitalize the involvement of the planning participants after a short period. Participants, incidentally, were not a selection from particular boxes on the organization chart, but individuals believed by the president and/or his Council to be a cross-section of the administration and faculty with a deep commitment to institutional purpose, enhancing its impact, and making it more vital as a cultural, social, and economic force. Where there were academic interests and principles involved--as in a debate over traditional liberal arts vs. career emphases, or the institution's commitment to a particular religious or service goal--the approach always seemed to be head-on, never one of avoidance or of stamping out any vocal minority. The emphasis on first defining mission, then

establishing general criteria for programmatic decisions. The support of the president for the group effort appeared to obviate the need for any petty maneuvering or concern with controlling it by political manipulation.

The site visitors occasionally commented on the brightness and creativity of the faculty or staff person coordinating the planning Activity; obviously these individuals, in the planning Activities reviewed, are persons whom the president, and the other faculty and staff at large, hold in respect. There was always a staff person (sometimes the planning coordinator himself, and sometimes a special assistant assigned) who took on the collection or assembly of data requested or needed by the planning group. But in most cases, the particular characteristics or qualifications of the planning coordinator or leader were simply not noted, as they were so frequently for other management development Activity directors. Leadership of the planning effort appeared to change from time to time in most cases. We believe this low profile for the leader is a function of the fact that the successful coordinator is one who encourages and focuses attention on the group contributions. The successful planning efforts are clearly not one-person shows, and they assuredly involve someone with the full respect of the president, other officers, and faculty, who can put the people together and keep them on target. Also, we suspect, they take their basic signals from the president if he is strong, from the faculty or chief academic officer if not.

The data provided by the study are not sufficient to prescribe the length of time needed to accomplish a reasonable and useful long-range plan, and to up-date it routinely; we suspect that about ten years of practice was typically needed. The data also do not provide much insight into the inevitable political problems (e.g., which individuals or programs were threatened, what allegations may have been made of excessive administrative control), and how these were resolved. And, we note that at least one strong president, having set a faculty planning group in motion, confided that the recommendations that would inevitably be produced in two or three years must go privately to the board at this point if the institution was to survive. The notion of planning as an exercise in staff development, and the need for generation of understanding the controlling parameters, were the subtle but critically important objectives in this instance; in the meantime, the president was taking the action believed to be urgently required.

6. Other Management and Development Activities

The other 11 Activities examined in this domain represent a mixed lot. They are reported here briefly, with emphasis on those that seemed to represent good contribution to improvement of management and administrative capability.

First, however, we should make brief comment on those that appeared sterile or negative in any developmental sense. The most obvious was an "Administrative Improvement" Activity that, however presented, simply added a staff assistant to the president to handle problems of a routine nature (observed were such problems as unjamming a xerox machine; directing a custodial person); this institution no longer enjoyed Title III funding, and was one in serious jeopardy. One Activity, with a recent discrete 2-year period of Title III funding not renewed in 1982, had simply designated a director of planning and a director for self-study activity, with neither individual having much to show for their involvement; perhaps the time period was simply not adequate, but the new president of the institution had inherited horrendous problems involving a new governing authority and a required change in mission, administrative paring and reorganization, and constant attention to crises; the two directors seemed doomed from the beginning by the confusion around them.

A particularly effective developmental Activity (not because it represented anything new but because of its timeliness and they way it was responsive to current needs on a campus that had just sustained a major but ultimately effective retrenchment) was one that grew out of a role assigned to the Title III coordinator. This consisted initially of responsibility for the formal formative and summative evaluation of Title III activity, with the incumbent taking this responsibility seriously; his services proved to be sufficiently valuable that the institution mandated the evaluations to be extended to other programs and administrative functions, and began consequently to pick up an appropriate portion of his salary.

This evaluation Activity is marked by good initial and continuing assistance from an assisting agency (a group from the regional accrediting association) and an attempt to look at each program from all practically possible perspectives: milestone attainment, faculty evaluation, student attitudes, and any testable impact on students if involved in an interactive sense. In this and other ways, the evaluation process is open to all interested, not

imposed on them. Its secret weapon is perhaps that it is so contrived that the participants learn also from sharing their perspectives, and as such this has, with the president's interactive support, added to the widespread acceptance and catalytic impact toward self-examination in a climate when defensiveness would have been easily invoked--as the site visitor observed, it constituted a "human approach to evaluation based upon specific and measurable objectives." It highlights other findings with regard to the clearly positively developing institutions and their response to and use of Title III: these institutions find the Title III management procedures instructive, and they consequently are applied to other institutional programs and functions.

Not rated as exceptional, but nevertheless performing a workmanlike job, was an Activity at one public institution that assigned the Title III coordinator the functions of a planning and development office (in a traditional sense) as a part of his Title III role. The Title III coordinator thus served an institutional function as well as that of the Federal representative on campus; with active administrative support, appropriateness of the individual for the traditional development office function of searching for increased support, and the sensitive involvement of the president in support of the role, the institution seemed to have its development office tuned and under way.

Two institutions submitted as useful management development Activities a formal training program--one for administrators in general, and one for trustees The trustee development project was conceived and spearheaded by a new president (who gave it considerable time), and was directed toward improving the sophistication and effectiveness of the board in helping him address real problems of revitalization. The institution was a private historically black institution with a board that appeared to have witnessed a prior decline in a pro-forma spectator way. Reputable and competent training assistance was first obtained from professional associations (including the Association of Governing Boards) and individuals; attention was then directed to assisting board members to develop a trustee handbook and a policy manual. These products suggested that the Activity had indeed been successful in mobilizing the board for assisting the president, both through considered policy and through fuller exercise of trustee responsiblity for institutional development as opposed to maintenance.

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The administrator training project was a long-term (14-year) umbrella, variously supported and led by the president of the public college concerned, to provide a continuing series of workshops and seminars in management training for administrators. A number of outside agencies were utilized for the training seminars; some of these were agencies that could also invest in aspects of the institution (e.g., NSF, NASA), and their involvement was believed to have resulted in increased fiscal support by these agencies. The Activity seemed effective, however, because it was taken seriously and because its substance concerned a variety of approaches to management science in general. And, the site visitors agreed that an effective management team was in place when they visited them in late 1982.

One institution volunteered as an exceptionally useful Activity a prior Title III supported Activity concerned with student recruiting (initiated before such activity was ruled unallowable). There was considerable emphasis on training recruiters, identifying prospective students, and modernizing the admissions office to assure responsiveness; the Title III support added both structure and legitimacy to this administrative function, and declining enrollment trends appear to have been effectively reversed as an impact of the new recognition and momentum of the public relations and recruiting Activity. A lagging businss-as-usual office was effectively revitalized, with increased awareness of an commitment to the college mission by participating faculty and students as well. The Activity worked because, as in so many other instances of success, the need was recognized by the president and the objectives were taken seriously.

Three nominated Activities were concerned, in effect, with developing the management structure for a new and major program component unlike anything offered before. These Activities, described below, could reasonably have been classifed as program rather than management development; but, we chose to place them with management because the prime instructive significance seemed to be in the management response rather than in the development of substantive program content.

One Activity, not nominated but strikingly exemplary to the site visitors who reported it in addition to Activities scheduled for review, involved a private institution putting sponsoring church, private philanthrophy, and state interests together to develop an adjunct college (associate degree) program within a state prison. The effort, started in the mid-70s, weathered

the inevitable early problems of distrust by inmates and student attrition to become a viable program serving urgent educational and human development needs, with a spinoff being effective courses back at home in criminal justice for the jailers. The success continues to attract the necessary support (no Title III funds were ever involved in the almost total soft money support); it seems more important as an example of what a successful if somewhat unorthodox service venture can do if the issue demands true concern for using one's discipline to improve society by helping individuals develop, and good faculty are turned loose to develop it.

A second Activity involved a private institution with an uneven distribution of tenured faculty presenting an unusual combination of curricular strengths and weaknesses; this appeared to be associated with a president who for some time had failed to exercise any real leadership, and who prized the special area of strength, though it had long since been bypassed by public institution competition. A particularly insightful and forceful member of the faculty saw prospects of sharing curricular strengths among several colleges within a 10-mile radius, and pressed a consortium effort involving programs that could be built on any of the participating campuses with course sequences that students could take for credit on the other campuses. The effort was of interest because it survived after Title III funding (though the director found quickly that a top academic person on each participating campus had to be sold first before selling his faculty, and that with change in the incumbent in this position one had essentially to start over). The Activity, involved hours of negotiation and committee work at administrative and faculty levels; it was noted that the director and his assistant also devoted many hours to the establishment and maintenance of an inter-campus bus system to permit student movement. The resulting program did indeed prove attractive, and permitted the host or lead institution in particular to provide a better and more versatile program by utilizing the other institutions' strengths in a fair-exchange deal.

The third Activity (with no major support from Title III, incidentally) was a response, by a 4-year public college, to a state board recommendation that "a comprehensive community college be established as a discrete element of (the public university concerned)." This recommendation set in motion a variety of conflicting forces within and outside the institution: outside, there were other institutions anxious for the mandate and support; inside were concerns that the state regents were downgrading the institution. Further

complicating this situation was a positive response by the regents to a formal plan and offer by the institution to proceed, but their provision of only a small portion fo the funds needed, with the difference to be found within the preexisting institutional budget.

The developmental potential of the situation was revealed by the facts that the university, traditionally serving largely a community constituency of low-income and minority students, was experiencing both declining enrollment and was threatened with a prospective ruling by the state regents that developmental studies could not be offered in 4-year institutions.

The institutional response was complicated by the regents designating and appointing several administrative staff to be responsible for the development of the community college component who represented the traditional community college approach and who favored the concept of such as a free-standing institution (the board members appeared not to be of one mind!). Four stormy years followed, with the board and institution reaching a point where all agreed that the institutional representative responsible for the initial proposal should be placed in charge. This man, a highly respected faculty member of the institution, was appointed Dean of the Community College Component, reporting to the institution's Vice President for Academic Affairs. He proceeded within the next year to create a distinct college within the college by working with faculty to designate existing courses that would serve both components before creating new ones to fill the gaps. The result was a cost-efficient solution of the need for a 2-year college by the state, and an expansion of enrollment at the host institution through students attracted to the new unit. With the state funding allocation tied to a student FTE enrollment formula, the revenue decline was also reversed.

These three ventures--with developmental effort for one supported by external soft money outside Title III, for the second by Title III, and for the third within the institution's own budget, each challenged successfully some turfs and existing perceptions of what the institution was about, but resulted in a modification or extension of mission that yielded new areas of service, capitalized on particular faculty strengths in two instances where 75 percent or more of the faculty held tenure, survived an intra-board conflict in one instance, and served in all three instances to turn around a declining enrollment while making maximum use of existing strengths. The process by which these new programs were sold and developed would require further study

for adequate understanding and application elsewhere; but, the three efforts stand today as fait accompli's, with the host institutions in better shape than before.

The final management development Activity reviewed was an instance where Title III funds were used to employ two professors emeriti, with consulting assistance, to assume from the president the delegated responsibilities of working with community leaders and faculty toward improving the relevancy of the 2-year college program. The institution, incidentally, was one rated as strong in the fiscal and program domains, but in the stable category in the management domain. Objectives and assignments included the conduct of an in-service faculty training program; the development of a "Manual for Industrial Services" to acquaint the community with the college program; the improvement of procedures for marketing college graduates; and the initiation of mechanisms for continuous dialogue between community leaders and the faculty.

The observers noted that prior to this effort, the campus had appeared to be going stale. The energy and enthusiasm of these temporary administrators was credited with breathing new life into the institution; the strategy of finding and cultivating outside unmet needs, then involving the faculty in their solution, provided a considerable boost to the morale of the faculty and to the vitality of the institution--with new look and new activities from the 3-year developmental effort now continuing as standard operating procedures--a nice and enduring contribution, from a couple of old guys delighted to be back in harness.

7. A Concluding Note

Readers familiar with more advanced or "developed" institutions may not be particularly impressed with the management development Activities reviewed. Those that are in place are not particularly amazing or exciting in terms of practices at many more advanced institutions. Yet, for most of the institutions in the sample, management development (in contrast to program development) was seldom recognized as a priority a decade or more ago. The successful president was viewed as the one with an open door to his office, and with an interest in teaching an occasional course. We believe that without the Title III emphasis, administrative development activity would have been unlikely. The probable gains in this regard, though hampered by tradition and an emphasis on academic values to the exclusion of implementation

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values, emerge with substantial potential significance. What would seem needed is a better understanding of the instructional processes that would be effective in accelerating competence and sophistication in management science, without jeopardy to the positive aspects of the more traditional art. The challenge is beyond what a passing consultant or a handy mail order workbook can reasonably accomplish.

C. Factors Associated with Effective Fiscal Development Activities

For purposes of this discussion, fiscal Activities are defined as programs with some direct significance for fiscal management and/or condition that were reviewed by the fiscal specialist on the site visit team. Thirty-nine such Activities were selected for review in the course of this study.[1]

Fiscal Activities fell into three broad categories. The largest category (with 22 examples) included various forms of automated transactional and/or management information systems (TIS/MIS) for handling fiscal data. All but one of these were funded in part--usually large part--by Title III. In a second category, eleven Activities addressed fund-raising capabilitity or broader resource development issues. Seven of these received assistance from Title III while four were funded without Federal assistance. The third category involved six Activities dealing with planning, management, and evaluation (PME) capabilities or other aspects of improving business and financial management. While sometimes including data processing components, the six Activities in this category--all funded with Title III assistance--had a broader focus than those in the fiscal data systems group. Applying the criteria provided in Chapter VI, the fiscal analyst concluded that of the 39 Activities, 22 were successful, 6 were questionable, and 11 achieved partial benefits or were yet to indicate clear impact, and were thus rated "neutral." By category, these were distributed as follows:

1 At four institutions, fiscal specialists reviewed programmatic activities; at eight institutions, no fiscal activity was selected for review. These twelve cases account for the difference between the thirty-nine activities discussed here and the total size of the sample.

	Successful	Neutral	Questionable
Fiscal Data System Development (MIS/TIS)	12	7	3
Fund Raising and Resource Enhancement	7	2	2
PME, etc.	3	2	1

In the nine institutions rated as strong in all domains, seven fiscal Activities were reviewed. All were judged successful by the site visitors. In the eight institutions rated negatively, seven Activities were studied. Of these, one was judged to be successful, two as questionable, and four were placed in the neutral category.

These data should be interpreted with various caveats in mind. In particular:

- Activities were generally selected by the institutions as exemplary programs for review. Thus they are not intended to be a representative sample in terms either of type or degree of success.
- Similar Activities focusing more generally on management and less specifically on fiscal data (especially PME and, to lesser extent, MIS) were sometimes selected for review by the management specialist on site visit teams, and have been discussed in the previous section. The overall incidence of activities of this type is thus higher than within the fiscal category alone.
- "Success" was estimated generally in terms of attainment of stated Activity objectives and contribution to institutional development. Activities judged as questionable fell considerably short of expectations and were believed to have little likelihood of significant future contribution to the institution.

Findings from the fiscal Activity review are discussed below in terms of origins and objectives, implementation strategies, problems, impacts, and funding. A final section summarizes findings and recommendations of potentially broad application to the issue of institutional development.

1. Origins and Objectives

Virtually all fiscal Activities had their origin in an institution's realization of the need to take steps to address present or anticipated financial crises. For some schools, Title III was seen as a resource to be

used and as a revenue source _per se_ to help make ends meet. This approach usually led to unsuccessful and unsustainable operational activity, and may have left some of these schools dependent on Title III for their very survival. Most schools, however, used Title III in a more responsible and forward-looking way. These schools saw Title III as a resource to be used to initiate and catalyze programs that would enhance institutional development in a manner consistent with their existing planning priorities.

In a few cases, recourse to Title III for support of fiscal development activity came as the result of the recommendation of an outside party. These outside agencies included auditing firms, accrediting agencies, and consulting firms. In at least one case, a consulting firm's recommendation was little more than self-serving grantsmanship. The resulting Activity, MIS system development, lacked any real institutional rationale and was a failure.

Most fiscal Activities had their genesis within the institution. Prime movers included presidents, chancellors, registrars, financial aid directors, chief financial officers, institutional research directors, business managers, and computer center directors.

For MIS Activities, typical origins included the following circumstances:

- reaction to deficits caused by severe budget overruns;
- the need for better information for decision makers to monitor institutional performance and alter management strategies accordingly;
- growth in institutional size and management complexity;
- increased demand for institutional data from state, Federal and other agencies providing financial support;
- alarming and rapidly increasing levels of student account receivables;
- the desire to develop a planning and budgeting process that more closely related resource allocation to actual goals;
- lags of up to six months in producing monthly financial statements for use by decision makers;
- the need to modernize an inefficient batch processing computer system;
- the need to automate as an alternative to rapid administrative staff increases in a growing institution;

- the requirement of the SDIP program to address fiscal management in this way;

- the wish to coordinate data bases and formats among academic and/or administrative departments.

Once the need was identified, institutions took various routes to fiscal MIS system development. For those with existing computer hardware, the key decision was whether to develop software internally or to purchase and adapt a software package such as POISE, AXXESS, or CAMPUS. For those beginning with purely manual systems, purchase of a computer was usually the centerpiece of the Title III grant application. As will be discussed later, this hardware first, software second, sequence was usually a mistake.

In one instance, an institution shared fiscal MIS development with another school. One purchased hardware, the other software, and both resources were shared. In part for this reason, the school in the sample that was part of this arrangement had the most efficiently developed fiscal MIS system observed in the study.

Most fiscal MIS systems were initiated for accounting or financial aid purposes and later spread to other administrative areas. In the most successful cases, advance analyses were performed to specify what kinds of information were needed and to create an environment that would support use of computer-assisted systems.

For fund raising Activities,[2] typical origins included:

- the realization in some private institutions that successful fund raising was the key to survival;

- the desire to assure academic and administrative program continuity and to facilitate implementation of new programs and services;

- the wish to tap the previously ignored resource of alumni support;

- the need to replace earlier Title III funds or other soft money in order to maintain existing programs;

- the offer of a major challenge grant from a foundation in the institution's state; and

- an awareness of upcoming fiscal demands requiring a special fund raising emphasis.

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2 Current Title III regulations permit development or enhancement of fund-raising capability, but prohibit Title III funds from being used for direct fund-raising activity.

Prime movers behind fund raising Activities ranged from a board chairman to presidents and directors of development. Most of the activities began with hiring of new staff or training of existing staff in the development office. Consultant help was frequently engaged, particularly for planned giving initiatives.

In only a few cases of fund raising development were clear objectives stated in quantifiable terms and times. In the case of one notable and exemplary exception, an institution set the following targets for an alumni tracking sub-activity: locate 90 percent of living alumni; increase alumni clubs from 37 to 50; and increase reunion participation by 25 percent. Such targets, expressed in a clear time framework, permitted effective tracking of progress and fostered disciplined management of the Activity.

Origins of PME and fiscal management improvement Activities included the following:

- needs identified at a college's regular planning retreat;
- the challenge of fulfilling reporting requirements for Federal government funds;
- the desire to systematize planning, management, and evaluation processes;
- a high level of student account receivable delinquencies; and
- deficiencies noted in the management letter of an auditing firm.

Prime movers for this type of Activity included development directors, financial aid staff, planning committees, and business managers. Objectives ranged from development of a better planning <u>process</u> to improved resource use to improvements in management coordination.

2. <u>Implementation Strategies</u>

As would be expected, strategies for implementing developmental Activities varied widely and usually derived from the nature of the Activity itself and the setting into which it was placed.

In the fiscal MIS Activity category, the key implementation step was appropriate software acquisition and/or development. In most successful cases, a software package oriented to educational institutions was purchased. Some schools, however, had success in developing their own software internally. In either case, the key variable was the presence or the acquisition of a highly qualified programmer/systems analyst to oversee customization of purchased software or development of new software. The demands on this person in the typical multi-user environment of a college were inevitably great. He or

she had to be not only highly competent but also able to work effectively with users and willing to work long hours at solving problems and dealing with frequent system emergencies.

In most successful examples, user acceptance of new fiscal MIS systems was facilitated by careful advance planning. In one case a campus-wide user committee was established to address potential transition problems in advance. This committee sponsored workshops for faculty to orient them to the benefits and the demands of the system. In another case, a Computer Board chaired by the academic dean was set up to hear usage conflict appeals. The importance of these arrangements is that they served to develop the support of users whose role in data gathering was essential to effective system development.

Another aspect of forward planning was the establishment of clear criteria for evaluation of progress and products. In one exemplary case, the following indicators were specified: Are monthly reports available in 15 days? Are reports understandable to academic staff? And do reports allow senior staff to make necessary financial and program decisions?

The most successful case of fiscal MIS development followed the "book" in that the following sequence was followed: (1) assess information needs; (2) select appropriate software; (3) choose hardware compatible with the selected software. This sequence minimized applications problems. Most institutions, however, chose hardware first or had existing computers which were utilized for the new applications. In these cases, software options were often limited and system development made more difficult.

Whatever the sequence, consultant help was usually employed to facilitate implementation of new systems and, in some cases, to select software. This strategy was generally effective, reflecting the fact that support demands during system transition are likely to be greater than ongoing support demands in a successful application. By contrast, assistance from software vendors was almost universally found to be inadequate. Schools depending on such support often experienced delays and other frustrations.

In one notable but apparently atypical case, the Title III grant monitor invited representatives of a Title III applicant institution to look at some successful fiscal MIS systems at similar institutions before finalizing implementation plans. This led to the previously cited positive example of software selection preceding hardware choice and system development. This

regarded as warning flags in cases of similar Activities that may be proposed elsewhere and, as such, are noted here.

In the MIS Activity category, problems with notably detrimental impact included:

- frequent turnover in data processing staff;
- lengthy implementation delays (almost universal) which became very severe in cases where adequate manual backup was not maintained;
- state-imposed charts of accounts (public institutions) that varied from the chart of accounts developed at a particular institution as part of the fiscal MIS development;
- poor software vendor support combined with the lack of a strong internal capacity for systems application and problem-solving;
- a limited conception of MIS as only fiscal resulting in inadequate preparation and system capacity for broader administrative and academic applications;
- failure to generate information in an aggregated form useful for high-level decision makers;
- purchase of a software package or use of consultants not oriented to educational institution accounting and administrative needs;
- assuming that decisions will, in fact, be based on MIS-generated information without attention to the organizational context;
- rifts between academic and administrative users of systems with limited capacity or terminal access;
- faculty distrust of computerized information systems; and
- generation of more hard copy (paper) than expected, resulting in problems of storage, retrieval, and security.

Problems observed in fund-raising Activities included:

- very slow payback from deferred giving initiatives (this adds to the important role of external support but makes early operationalization of the activity difficult);
- the lack of affluent alumni for many institutions;
- the statement of activity goals in terms of <u>process</u> rather than quantifiable revenue objectives;
- inability to retain staff trained in fund raising techniques;

- the lack of information system capability for maintenance of critical data;

- limited operational funding for solicitation and travel costs or, in some cases, maintenance of the development office itself; and

- lack of clear commitment from, or neglect by, institutional management.

In the PME and administrative improvement area, the following problems were noted:

- objectives or strategies defined too broadly to permit disciplined management and follow-up;

- the marginal role of a branch state institution in the planning for the entire system that served as its developmental agenda;

- the lack of involvement of faculty and staff in the institutional planning function;

- the use of Title III to fund routine, operational planning rather than defined developmental planning advances; and

- weak commitment from operational vice-presidents for a PME system developed by a president and his staff.

The existence of these problems--and the failure to address them aggressively where possible--characterized the less successful Activities. They are noted here because, in most cases, they should have been anticipated and considered in activity planning before they became major stumbling blocks.

4. Impacts

As noted earlier, more than half of the fiscal Activities observed during this study were judged to be successful as developmental Activities. Virtually all the Activities had some beneficial impact, at least temporarily. In those institutions that had experienced major turnarounds in the last decade, Title III was invariably a significant contributor and widely recognized as such. Several presidents, in fact, considered both the capabilities and the implicit emphases on planning were the most significant development contributions made by Title III. There was evidence that fiscal MIS and PME Activities helped develop an acceptance, understanding, and appreciation for planning concepts, methods, and procedures as well as the use of data for these purposes by staff and faculty. The Title III multi-year funding concept was seen as an incentive for the development of more comprehensive planning

and forecasting procedures, because it permitted sufficient time for substantive development.

For example, in the fiscal MIS category, faculty understanding of the confidence in fiscal management was often increased, especially for faculty having grants and contracts with rigorous financial reporting requirements. Better receivables and cash flow management had direct income benefits for several institutions as did the availability of good data for incorporation in government and foundation grant applications. Financial advantage was also gained from reduced clerical staff needs when fiscal MIS systems performed efficiently. Smoother registration procedures and financial aid tracking provided benefits appreciated by students. And: one institution found that they could put together in a week a special analysis required by a foundation as a prerequisite for funding; the successful effort helped to assure the grant, as well as to sell the system capability at home!

Enhanced budget monitoring capacity and more timely financial reports were credited with improving decision quality, resource allocaton, and overall fiscal efficiency. Certain severe accounting problems were cleared up, averting in one case the probable closing of an institution. In a few cases, better information availability became the catalyst for the initiation of a systematic institutional planning process.

The impact of fund raising Activities was somewhat harder to document because the time lag between program initiation and realization benefits, and because institutions tended to confuse process with results (this is a possible concomitant of the Title III regulatory emphasis on process). Where results were evident, direct causal linkages to particular activities were not always clear: Nevertheless, there was ample evidence that this category of Activities had actual or potential merit at several institutions. Several schools could point to increases in annual giving of up to 100 percent over a period of three to five years. Others had well-prepared deferred giving campaigns actively underway. A third apparent benefit was improved alumni tracking and revitalization of alumni interest. One institution increased the number of alumni donors by 400 percent in a three-year period.

Several institutions gave external funding the credit for being able to develop a "professional" approach to fund raising. Several felt that Activities in this category had increased institutional self-confidence. For some, private support development had paved the way from crisis to financial

viability. Yet, the jury was still out in most cases, especially where deferred giving has longer-term importance. For those schools that have carefully designed planned giving programs and that have operationalized the recurring costs of these programs, the promise seems high.

PME Activities also were believed to have impacts that were frequently hard to document in a precise manner. Some institutions expressed the feeling that their planning process was now more goal oriented. Several noted that the attention given to a PME Activity had raised institutional research and planning to a higher priority than previously enjoyed. Some pointed to improved fiscal efficiency and, in the case of an Activity focused on the financial aid office, to higher student morale, improved records, and better communication between administrative units.

Certain negative impacts were, in some cases, also attributed, to Title III though these usually resulted from inappropriate use of the resource. In particular, two related risks should be noted:

- Where Title III or other external support is applied in academic areas to the exclusion of administrative improvements, an imbalance may result that leads to financial exposure.
- Title III can lead to a commitment to programs and staff, even in the administrative area, which it is difficult to maintain. The result is a "top heavy" staff structure which can also lead to fiscal risk.

Each of these dangers can be prevented if Title III program review staff remain cognizant of them and guard against imbalance in use of this resource by applicant institutions. It should also be recalled that the strong institutions were characterized by efficient administrative staffs, and the maintenance of key persons largely with regular funds.

5. Funding

There was considerable variation in the manner in which external funding was used by sample institutions, even for similar Activities. These differences reflect varying institutional contexts, changes in Title III guidelines over time, and, in some cases, poor judgment.

In the MIS Activities reviewed, all of which were assisted with Title III funds, soft money funded software, hardware, personnel, consultants, and training, though rarely all at the same institution. Most institutions provided, at a minimum, any major computer center facilities and some degree of

staff support. The most common soft money support mix was software, consultant help, training, and some hardware assistance from Title III, with some personnel and basic hardware costs borne by the school. In several cases, the period of soft funding was over and continuing costs had been absorbed by the institution. In virtually every case, this was the intent though it was not always clear from where the funds would come. In the most successful applications, continuing costs were limited to maintenance and basic staff support once transition to an on-line system had been completed. When personnel costs were covered by the institution from the beginning, the incremental long-term costs to be absorbed were slight. However, institutions that used soft money to pay for data processing staff often faced an uncertain prospect of successful continuation.

For fund raising Activities, soft money was commonly used for training, consultant inputs, and, in some cases, equipment such as word processing to improve development office productivity. In addition to Title III, Activities in this category were assisted by such sources as the Mott Foundation and the United Negro College Fund. In some cases, external funds financed salaries of staff in the development office. Usually these salaries were later absorbed by the institution. In those cases where the entire development function, including the director, was externally funded, however, the commitment to continuation was usually lacking.

PME and management improvement Activities frequently utilized external support for both staff and equipment support. In most observed cases, Title III support had been replaced by institutional funds and the Activity continued, though sometimes at a slower pace. As with other kinds of Activities, PME initiatives that were consistent with overall institutional priorities and not simply a means to attract outside money were the most likely to be successfully institutionalized.

6. Summary: Findings and Recommendations

This review of fiscal Activities can be summarized by means of a list of recommendations which may guide both institutions considering similar Activities and funding sources which must review and monitor such Activities. These lessons from the experience of the institutions should help focus developmental funding where it can have the most impact.

For management information system and related Activities, the following suggestions emerge from the experience:

- A highly capable person to steer applications is the most critical element in system transition to MIS;

- Use packaged software proven effective in similar contexts but with capacity for fine tuning to particular user needs;

- For software selection and adaption to a particular setting, consultant assistance will usually be cost-effective;

- If consultants are used, prepare a detailed contract with specification of time targets, expected results, and penalties for non-performance, as required by Federal Regulations (EDGAR);

- Strong institutional support from both leadership and users is essential for system success;

- Maintain complete manual back-up throughout the transition process and expect automated system breakdowns;

- Carefully define data requirements and report formats for different applications prior to software development;

- Treat the introduction of new technologies to users with sensitivity to their unfamiliarity and potential opposition;

- Generate only the reports needed, not everything possible (in one instance, a new MIS director cut paper consumption by 50 percent with no loss of useable data);

- Generate commitment not only to generating information but also to using it for disciplined financial management;

- Develop common data bases and report formats to facilitate coordination among administrative units and to avoid duplication;

- Chose software, then hardware, in response to careful analysis of information needs; and

- Time conversions of various offices so as not to coincide with seasonally busy times of the year.

The following recommendations grow out of the review of fund raising Activities:[3]

- Budget experimental strategies in regular budgets so that continuation decisions are "zero-based" and baselinked to the contribution of the Activity to institutional mission;

[3] Because Title III regulations define some activities in this area as unallowable, care must be taken to assure that funds from that source are used appropriately.

- Carefully plan and organize fund raising efforts down to the level of grass roots volunteer activity in advance;

- Training and other staff development must be complemented by institutional factors such as reputation, physical appearance, publicity, and good will;

- Commitment of an institution's board and president to professional fund raising is essential if the necessary support for quality efforts is to be forthcoming;

- Recognized academic quality and success in placing graduates are important complements to developmental activity;

- Professional consultant assistance should be used in planning major campaigns; and

- Conducting advance public relations initiatives in the community to gain visibility will enhance follow-up fund raising efforts.

Recommendations emerging from the review of sample PME and fiscal management improvement Activities include:

- Assure that the active support of the chief administrative officer as a point of credibility and leverage can be invoked or utilized where necessary;

- It is inappropriate to place institutional research and/or planning activities in the development office where they are likely to be perceived as of marginal importance;

- Basic institutional Activities such as research and planning should utilize soft money support only to the extent that identifiable, discrete Activities can be specified for limited-term assistance; and

- Define clear, bounded needs and objectives for planning and management enhancements in the context of existing institution direction.

These recommendations should be understood in the context of the broader discussion of these issues that appears throughout this report. However, they may serve as a checklist to help institutions and program monitors validate the assumptions behind a fiscal development activity concept.

D. Factors Associated with Effective Program Activities

1. Introduction to Program Activities

Program Activities split about 75 percent-25 percent between those that were institution-wide in intent and application and those that had a much narrower focus. This assertion has important implications for the processes

and dynamics involved, and perhaps even more vital reference to the question of outcomes and their significance. Roughly three-fourths of the Activities had some potential for direct effects on the institution as a whole because of the original needs and purposes. It does not follow that the other one-fourth had no such potential, but only that important effects on the institution seemed less likely. Naturally any effort to improve curricula, provide student counseling, or develop faculty via seminars and workshops has some level of implication for the school as a whole--but perhaps much in the future, only transitorily in any case, or in terms of outcomes valued in and of themselves.

We are trying to distinguish here between Activities whose sights were on the larger institutional situation (Title III program intent) and those for which it was not possible to ferret out objectives or processes that would or could lead to such larger outcomes. Yet the latter may have an important place. Several institutions had student services Activities, in some instances initiated in the mid-70's to fill a complete void of such services as counseling, career guidance, peer tutoring, testing, that are now considered a necessary part of the definition of what a college is and offers. The same applies to academic support via basic skills or comprehensive media centers, and one case where a strengthening of liberal studies was deemed a worthy outcome because it was what the institution was all about. Many such Activities had as a main goal the reduction of attrition, but without specific strategies aimed at retention, much less attracting students to the service. These Activities should not be faulted, however, since there is long-range potential for reducing attrition and a self-validating purpose as part of the total campus picture.

To some extent the same may be true for certain new (or strengthened) academic areas, where having a computer literacy thrust, a computer science program, or a business administration program is perceived as a necessity these days for any institution, <u>regardless</u> of history, mission, or present condition.

All of this suggests another way of viewing program Activities. In the ongoing cycle of things, Activities are themselves outcomes. They are the result of prior conditions, perceived needs, perhaps special pressures or opportunities. Their very existence as formal developmental Activities illustrates something of institutional process in the sense of being reactive,

responding to and doing something about earlier circumstances. Thus there may be no completely valid reason for expecting a single, particular Activity (no matter what its title or budget may be) to make significant inroads on institutional condition or result in ultimate impacts. Not only are given program features the result of an ongoing development-and-change process that defies precise description, they are also often inextricably bound up with a variety of other program features that influence their direction and process. And together they may ultimately contribute to change and improvement that in turn may be reflected in terms of institutional condition.

One final preliminary point. There was a distinct tendency for the strong Activities to be located at the 15 institutions whose overall programs were judged of good or high quality and for the converse to be true. (Stronger institutions may tend, reasonably, to be better at everything--planning, identifying needs and opportunities, coordinating, monitoring. Or they may simply have known better how to evaluate meaningful outcomes and thus nominate the most significant of their program Activities.) However, there was not a one-to-one relationship in this matter. At least six Activities judged as strong or effective were at institutions with overall programs judged stable or neutral; several Activities were judged neutral from institutions with weak overall programs, and one Activity from this weak-program group was judged successful and strong. In contrast to the 12 Activities that were rated one or two levels "higher" than the total programs they were part of, there were only 3 rated lower than the total program levels at their institutions. This counterpoint reinforces the notion that strong or weak plants may grow in opposite soil, and also reminds us that institutions were invited to nominate Activities perceived as successful or useful.

We turn now to the groups of program Activities. The discussion will start with and give most attention to the "new programs and majors" (10 cases) because they help to exemplify major differences between strong and weak Activities, and also because they appear to demand the most in terms of conceptualization, planning, and implementation.

2. New Programs and Majors: The Development Path

There were ten examples of new programs or majors initiated 2-14 years ago, all with external assistance (Title III, CETA, businesses, NIH, and/or various foundations) for some or all that time, and all but one representing new directions with a distinct career/professional cast. These

efforts were initiated between 1976 and 1981, except for one begun in 1968, with a median developmental life span of 4 years (ranging from 2 to 11 years). The group of 10 institutions included public and private, and 2-year and 4-year levels; the majority were historically black schools, both public and private. The new ventures included programs or majors in business, health sciences, education, physical and field science, and social service.

Of these ten, six were judged to be strong or effective (that is, already established and operating, valuable and valued, and/or having a demonstrated or high potential contribution to institutional condition). Two were judged neutral on these criteria; and two were rated as weak or virtual failures in that after 3 years the programs had critical operational problems and no longer attracted students. These ten cases illustrate the counterpoint between Activity ratings and broad program ratings. The six strongest Activities were at institutions with overall programs judged strong or neutral, the two neutral Activities were at an overall neutral and an overall negative location, and the two weakest Activities were at institutions with overall programs rated negative. In these latter two cases, the program domain generally was so weak or at odds about where to turn that these schools could not sustain the new ventures they had initiated.

The following subsections discuss major aspects of the "activity path," including origins, chief objectives, strategies, inputs, challenges, and outcomes (realized and potential, positive and negative). As appropriate, contrasts among the strong, neutral, and weak or questionable Activities will be employed.

a. Activity Origins

While each institution's new program Activity has its own story to tell, there are some common features shared by several. In half the ten cases, the principal underlying motive was to move toward fiscal stability for the institution via more students and thus more income, consciously but carefully: consciously, by recognizing basic needs and identifying the departments which could be saved via new majors (although in two cases matters were desperate and expansion in any direction, new or otherwise, was considered); carefully, in every case, by ultimately deciding to move from existing program strengths or inroads and by being alert to opportunities which might enhance the choice of a new program or major. In the five cases where strengthening fiscal viability was clearly not an issue or priority in Activity origin,

decisions on new ventures were made in terms of perceived opportunities and/or existing strengths.

Building on strengths and responding to opportunities thus described the two-faceted approach undertaken in the vast majority of cases. In deciding on new programs, institutions took advantage of some mix of internal factors such as existing separate courses, interdisciplinary arrangements, science and other facilities, existing cognate departments and programs with trained faculty, a 2-year program ripe for expansion to 4-year status and a 4-year major ready for application to an entirely new population, and faculty aspirations for moving in new directions. (In only one institution was a really brand new idea introduced--a business administration major--that was not an outgrowth of existing related factors, and this was judged of mediocre quality after 3 years of developmental effort.) At the same time, in nearly all cases, external opportunities were also accounted for, such as: clear lack of nearby competition, perceived societal needs and presumed valuing of trained graduates, new opportunities for minorities, geographic/geologic location as related to given new majors, a specific community request, and the chance of drawing better qualified students to campus because of new specialized offerings available.

The analysis above suggests that these institutions had valid reasons of substance for the choices made. This conclusion is further supported by the inference that in most cases the idea came first and then external resources were sought (or possibly the two factors were concurrent); whereas in three instances the availability of Title III funds appeared to spawn both the idea and the search for a rationale--and these three Activities were rated negative or neutral in overall quality of outcomes and potential.

The new-program Activities also varied with regard to impetus and leadership. In four cases the new venture was a special priority of the president who then monitored development and outcomes in all cases, but in one of them parted company conceptually with Activity staff and ultimately effected a standoff. In one other case an alumnus was credited with generating the idea, successfully obtaining long-term presidential support. In five institutions the Activity was the product of <u>faculty</u> planning (one or two persons) followed by participation of the administration--but in three cases, again judged weak or neutral overall--presidential support was reported as minimal or transitory for whatever reasons. In net, all four neutral or weak Activities did <u>not</u>

receive strong presidential leadership and support, and this should be instructive.

Another feature of Activity origin was its place in some larger formal or informal plan at the institution level. It appears that this was a basis in the majority of institutions (including a broad move to career-professional programs, a planned surge in the basic sciences, and/or a conscious effort to accomplish overall fiscal stability) and was notably more characteristic of those institutions with strong Activities.

Finally, initial planning steps were important at the point of inception. Some institutions had stated planning agendas and distinguished between planning steps and implementation strategies. Most, however, combined these functions and did some level of planning at the outset, continuing along the way as objectives were set and strategies were played out. A majority of these institutions engaged in market studies or used market data, and all arranged for external resources as a sine-qua-non of continuing the venture.

Two categories of early planning distinguished the effective Activities from the neutral and weak. First, most strong institutions allowed what turned out to be a realistic two or more years for planning, laying the groundwork, overcoming obstacles, and so on, whereas the others allowed less time and did markedly less anticipating--with one notable exception where good comprehensive planning was accomplished in one year, although ultimate outcomes were less promising. Second, a characteristic of the effective Activities was to be guided by advisory boards and task forces (inside and outside the institution); and to engage very early on in dialog with professional and community groups as well as agencies and businesses on such matters as curriculum content, program needs, internship placements, and accreditation requirements--again with one instructive exception: a strong Activity which suffered severely for 3 years for ignoring this dialog but which had enough developmental time (and new leadership) to overcome its many difficulties.

Thus even at the level of the origin and initiation of Activities, there are several indicators that strongly tend to distinguish effective from ineffective new programs and majors. These are: planning a new venture in relation to external resources available, level of presidential involvement and support, inclusion in or outgrowth of a larger and more comprehensive plan for institutional development, and nature and quality of basic planning steps

at the outset. These factors are no doubt functionally interrelated and also "responsible" for later events and outcomes in the developmental path.

b. Activity Objectives

The most common major objectives, for both the Activity itself and the institution as a whole, were related ultimately to the well-being of the school and thus to the origins discussed above. Principal Activity objectives, as stated, included the following (showing number of cases):

- To develop and operate a new curriculum or department (with a variety of subobjectives) (10)
- To train, graduate, and help to place students (8)
- To obtain certification/accreditation (4)
- To utilize faculty and facilities at little extra cost to college (3)
- To lay groundwork for projected (later) extension (3)
- To attract adult, returning, and/or minority students to program (5)
- Other highly specialized major objectives (4)

Although not always easy to identify, major objectives were found or inferred that expressed the institution's point of view. These included:

- To attract students (usually "good" ones) to the institution via program appeal (7)
- To advance the service mission at local, regional, state levels (6)
- To help accomplish institution aspiration and image vis-a-vis research, serving minorities, faculty quality--a flagship program (2)
- To "save" a department or division (3).

Overall, the major Activity objectives were similar regardless of Activity ratings, although the stronger Activities tended to have more objectives as well as more specialized ones (including all examples of accreditation/certification). Likewise, institution-level objectives were quite similar across rating groups, with effective Activities having a clear edge on "attracting good students to the institution" and "developing a flagship program." The qualitative differences in favor of the strong Activities suggest more careful planning and a somewhat broader view of potential Activity significance.

c. Chief Strategies

The implementation strategies discussed here include those planned for and initiated during the opening years along with more recent

strategies of functional importance to program development and operation. In this way some strategies, at least, may be seen as contributing to and resulting from the planning process over a period of time--as well as reflecting the level and quality of initial planning.

Strategies, of course, are (or should be) related to objectives. The most significant overall finding is that the strong Activities engaged in a wide range of appropriate strategies that were plausible for accomplishment of objectives, flexible in application, and concerned with a mix of important factors--while the neutral Activities did less so and the weak Activities did very little. There were two notable exceptions to this neat outcome: one strong Activity had some implausible strategies because it tried to accomplish too much (and attained notably less than hoped for), and one neutral Activity followed its good planning with careful strategizing but later ran into conceptual and operational problems.

Categories of strategies planned and generally executed should be mentioned. Table VII.1 displays major categories and entries, omitting strategies engaged in initially as part of the decision or planning process (market study, advisory group, time period for planning, early dialog--see subsection a. above). Only those entries marked * were characteristic of the neutral/weak Activities as well as the strong, showing virtually universal attention to some requisites for curriculum development, faculty enhancement, and student development. These comprise the minimum effort. Strong activities as a group went far beyond that, however, notably in terms of consultants, accreditation, standards (which also helped to define institutional aspirations), recruitment, leadership, and monitoring. An important caveat is that, although the strong Activities were "better" at monitoring, they still did relatively little and seldom did any person (or institution) engage in structured, systematic monitoring or evaluation. Once a program is under way and effective, of course, one need only confirm its apparent quality and draw on students--but all reports indicate that careful monitoring and evaluation were not characteristic strategies during the development period.

d. Inputs

What does it take to make a developmental Activity work? The present study assumes that external sources are one requisite (in that the subject institutions do not have the resources to take on serious development efforts strictly on their own--or else that if they do, they will likely

Table VII.1

Categories of Principal Strategies for New Programs and Majors

1.	Curriculum	* Interdisciplinary campus input * Activity faculty working on released time Use of consultants on variety of topics Attainment of accreditation/certification Develop consciously rigorous standards * Require/arrange for internships, clinicals, fieldwork
2.	Faculty	* Add qualified personnel Send faculty for updates, degrees, development
3.	Recruitment	Active faculty involvement Formal long-term recruitment efforts Arrangements with 2-year colleges for transfers Tuition rebate plans arranged for business employees
4.	Students	Make evening courses and services available Increase number of options within departments * Consciously refer to or provide tutoring, counseling, other student services
5.	Monitoring	* Follow performance, placement of students/grads Track program and faculty quality Monitor costs, numbers of students, needs
6.	Leadership	Assign or recruit strong leader for comprehensive management, initiative, followup, contacts

* Strategies shared by strong, neutral, and weak Activities.

proceed more slowly and less comprehensively than they would with outside assistance). All ten new program Activities had received external support for a period of years (Title III, businesses, foundations, NIH, or some combination of these), covering such needs as equipment, materials, faculty additions, faculty released time, program management, travel for faculty development, consultants, secretarial, and in the case of foundations/businesses also laboratory facilities and construction. There was a tendency for the strong Activities to garner more external resources, particularly non-Title III awards, and thus to be able to plan and accomplish more. On the other hand, one weak Activity had considerable foundation support and pressure to plan and use the funds wisely, yet floundered because of poor program conceptualization and leadership. It temporized, even with money in hand.

External support came in other forms than funds. Overall, these Activities obtained a variety of in-kind assistance (personnel loan, materials, free consulting service, classroom demonstrations and instruction, etc.). One foundation provided initial leadership and program focus; local advisory boards provided necessary and substantial leadership, access to internship placements, and the like; in several cases the Title III coordinators (though paid in part by the Title III grant) went out of their way to provide leadership, assistance, and some monitoring help to the individual Activities; professional boards and state agencies provided guidance and technical assistance; church organizations and businesses provided various sorts of in-kind assistance.

Inputs from the inside tell a somewhat different story. One way or another every institution provided personnel, materials, facilities, and so on, but there is a clear relationship when it comes to cash: the two weak Activities were in institutions that contributed nothing over the development period, one depending on a foundation grant and one depending on Title III awards. These same institutions also did not provide presidential leadership (or strong, authoritative Activity leadership) and in other ways perhaps did injustice to otherwise good program possibilities. It is not feasible to conclude a cause-effect relationship in regard to internal inputs and these ineffective Activities, but it does seem that an appropriate mix of inputs was not present (along with the weaknesses referred to in regard to planning, objectives, and strategizing) during the development period. Such a mix of factors suggests an overall institutional climate, either facilitating or

laissez-faire or counterproductive for these ten Activities. This climate may indeed be the fundamental input and its quality may spell success or failure.

Finally what may be termed developmental lifespan seems to be an important input. Aside from other factors such as funds, personnel, facilities, and strategies, there is an overarching factor of time: just how much is needed for quality development is an unknown, but presumably the amount of time and the use of time should converge with other factors in the interests of an effective development. For example, the strongest Activities tended to have a longer lifespan in terms both of having germinated before the onset of external support and of having a longer period of funded support for planning, initiation, revision, and accomplishment. There are exceptions in both directions of course, but the trend is apparent. Looked at another way, one neutral program has been on the boards for only 2 years and indeed may not have had time to prove itself--yet as noted, the seeds of difficulty are already apparent in spite of good planning and strategizing. Similarly, even though effective development theoretically takes time, other things being equal, 2 or 3 years may be enough for a weak Activity to show its lack of conceptualization, applicability, or attractiveness to students; the two weak Activities have had 3 years to prove themselves and, other things being equal, they have not done so. Beyond that, there is no reason to think that they will do so soon.

e. Problems and Challenges

It is inconceivable that there would not be problems to face, challenges to overcome. And indeed all the Activities have had one or another kind of unmet need, lack of support, faculty resistance to change, and other problems which are to be expected when launching into new directions. Overall, the six effective Activities had experienced major threats and challenges which they had overcome with little or no negative residue; the neutral Activities were in the midst of resolving current problems; and the two weakest Activities had faced but not resolved their difficulties. That statement helps to explain the ratings given to Activity outcomes and also the quality of circumstance and leadership that have contributed to such outcomes.

Among the strong Activities there are two tales of difficulty spanning some years from problem to resolution. In one, the general faculty approved the new "career" program only on condition that external funds (foundation) would support it in full; after several years of patience and proving, the

Activity is now accepted in the regular budget as a part of a "new" institutional mission--all this in spite of strong presidential support from the beginning. The other was a case of poor initial planning, lack of appropriate philosophy and leadership, a decision to seek the wrong market, faculty dissent within the Activity--a host of difficulties ultimately overcome by continued presidential leadership and then the accession of a strong Activity director, trained and experienced in her field. Two other Activities have had no notable challenge; the remaining two have had continuing but surmountable difficulties in meeting goals of student enrollment and important community interactions, or a raft of small frustrations in putting into place a full baccalaureate program in the evening (which is the very heart of this new program offering). In sum, these effective Activities have had problems in terms of faculty acceptance, rationalizing expensive programs with few students, mechanical and operational matters which act as barriers, and commitment of funds.

The two neutral Activities have experienced such problems as inadequate facilities and equipment, turnover at the Activity director level, lack of faculty acceptance of career majors in the liberal arts milieu (possibly translated as faculty jealousy), and fundamental policy shifts (short of lack of support) in the top administration. They are working on these now. The two weakest Activities have shared an underlying and rather obvious lack of support (even if not opposition) at several levels, along with a lack of clear program focus--problems which go back several years and which are by nature difficult to resolve without starting all over again.

Money is not, has not been, the answer. Neither has a shift in basic objectives or strategies. The kinds of problems faced have called for patience, quiet leadership, a new set of strategies unrelated to the Activity itself but very much related to defusing negative attitudes or working through institutional tradition and bureaucracy. No special lessons can be learned from the two cases where nothing notable surfaced, for they had no barriers or challenges to learn their own lessons from and may simply have had the good fortune to have things run smoothly.

f. Outcomes: Realized and Potential

In general, actual outcomes and consequences at the Activity level relate to accomplishment of major objectives originally outlined or later added. The time period allowed (and needed) for development up to and including meaningful outcomes is an important variable, however, since certain

of the new programs/majors are not yet complete and may need another year or two; this applies in particular to the three new developments (two judged effective overall and one neutral) which have not yet graduated a first class although as of 1982-83 the program is in place (faculty, curriculum, facilities) and students have enrolled in these majors.

In this group of schools there is also an array of outcomes and consequences apparent at the institution level which are reported to have had their roots in the particular Activities. As discussed below, some of these outcomes may be considered actual accomplishments or changes while others are potential outcomes and values; there are also examples of outcomes which are virtually the same for the Activity and for the institution as a whole. From one point of view, the institution outcomes may be more important than the Activity outcomes in any ultimate sense, but of course the former can only be an outgrowth of the latter: the Activity and the changes it generates come first and then any further consequences can accrue at the institution level. However, one cannot expect too much of a single Activity, since the present sample includes new programs and majors rather than entirely new divisions or disciplines. In the absence of a "star," a truly remarkable new program/major, outcomes at the institution level are more likely to result from the convergence of several programmatic (and/or administrative) changes occurring at the same time, being parts of a grand plan of sorts, and working in concert for the same broad substantive objectives. Put another way, the present examples, in isolation, do not illustrate ultimate effects or impacts on the institutions--or at least not yet. On the other hand, there do appear to be outcomes of some significance, including consequences and potential results that are valued by the institutions.

Major findings are summarized in Table VII.2. There are more consequences reported at the institution level than at the Activity level, perhaps not surprising when it is noted that these were new programs and majors added to the institutional structure and offerings. It can be seen that several outcomes have already taken hold in the institution as a whole, while others are waiting in the wings to be capitalized on in connection with some other programmatic change effort. It can also be seen that two negative consequences were reported, both reportedly unanticipated during the implementation stage.

Table VII.2

Activity Outcomes/Consequences at the Activity and Institution Levels, by Subgroup
NEW PROGRAMS

	Original Activity Ratings		
	Strong N=6	Neutral N=2	Weak N=2
At the Activity Level			
+ Program in place (has students, has grads)	4	1	2
+ Program in place (has students, no grads yet)	2	1	
+ Good student products and placements	4	1	
+ Efficient use of faculty & facilities in connection with other departments	4	1	
+ Broader career options in department/division	5	1	
+ Firm relations with outside agencies, groups; for program, internships, placements, academics	5	1	
- Costs of maintaining facility, library, etc.; and opening buildings in evening	3		
At the Institution Level			
Actual Outcomes			
+ Program is accepted; strengthens the institution's current mission	6	1	2
+ Image, visibility, PR or real distinctiveness	6	2	1
+ "Good" students enroll for the particular program and its vitality and career options	4		
+ Generates tuition; pays 90-100% of its cost	3	1	
+ Gift or foundation grants have been attracted	3		1
+ Model of program planning and development available (and recognized) for application	5		
+ Spinoffs now occurring to Continuing Ed, MBA, full night programs, another new major	3		
+ Faculty/administration change of attitude re: marketing, openness to change, responsibility for institution survival	5		
- Take majors away from traditional departments	1	1	
Potential Outcomes			
+ Strategic inroads on relations with outside agencies & groups (for other programs/majors)	6	1	
+ Attract and Serve low-income students	3	2	1
+ Extensions to other majors in same department	2		
+ Save a major department	1	1	

\+ Reported positive outcomes.
\- Reported negative outcomes.

Table VII.2 shows type and number of outcomes by subgroup in terms of initial ratings of effective, neutral, and weak. Individual Activities vary, of course, but in general the effective new programs/majors have a broader display of positive outcomes at the Activity level and markedly more outcomes at the institution level than the neutral and weak groups. (The neutral Activities indeed reported several outcomes, but as can be seen the ineffective new programs have virtually nothing to show--the programs are dormant as of 1982-83 and there are few residuals). Strong Activities reported placements of 50 to 80 percent of graduates thus far and consider this a positive outcome, one indeed reported that all graduates thus far had been placed. Firm, lasting relations with external groups are also considered positive at the Activity level, with implications at the institution level for moving to other new programs in future. Three outcomes perhaps merit special attention: nine Activities reported a strengthening of and consonance with the current mission, including three of the four neutral or weak Activities, suggesting overall a wise conceptual choice of new programs in the first place. Nine Activities similarly reported some form of positive enhancement of institutional image and visibility, although only strong Activities achieved a meaningful distinctiveness. And finally, where "good students" are reportedly attracted to the institution because of the new offerings, a caveat is needed in that both the quality and the numbers of such students are relative matters; respondents felt that real gains have been made in the last 2 to 4 years but could provide only limited evidence.

Clearly, not all six effective Activities reported the same outcomes or those that might be considered closest to ultimate value for the institution. There are gaps in student products, graduates, and placements (2), and also in firm agency relationships (1), as well as attracting good students (2) and generation of tuition and self-support (3). These gaps suggest the element of risk which is--or has been--present in a majority of these cases. As discussed earlier, risk is likely a necessary ingredient of program change, whether related to funds (internal, external), real acceptance by the faculty, or sense of mission. It should be useful to sketch a few relevant risk histories since they help to tell the story of new programs/majors and their outcomes, and they reveal something of the way institutions value their new ventures.

The six strong Activities fall into three risk categories: two that apparently never underwent serious risk, two that clearly overcame risk and moved to solid ground, and two that are currently in considerable risk. The two that have moved beyond risk both suffered strong faculty resistance with fiscal implications: in one case the institution was "forced" to underwrite the new (and now very valuable) program with strictly external funds for several years and luckily obtained foundation support during the development period; the other experimented with a night-only degree program that cost additional outlay (and still does) for that reason alone and also cost faculty support as well as risked the traditional image and mission of the college--all of this before they could be sure of a good student draw, although it is now a mainstay of present fiscal health and a central part of the new mission.

The two current-risk Activities share the same set of problems. They are science-related and thus very expensive to operate in terms of facilities, equipment, materials, and faculty, and both were supported handsomely by foundations during the development period; both have thus far attracted notably fewer students than expected and both are in the midst of recruiting campaigns; one has already graduated three small classes while the other planned to have its first class in spring 1983. In each case the new program is intimately bound up in mission, presidential and institutional commitment to science careers for minority students, and also a commitment to continue "regardless" (in one case with continued foundation support, in the other on its own resources), at least for 2 years. This is risk indeed. And in one instance the trustees are barking at the new program's heels. An additional challenge, characteristic of these particular two Activities (and certain others which are not new programs/majors) is that, ironically, they have had to turn away students. The glamor of these new programs has indeed attracted many students as enrolled majors, but a sizable proportion are not ready for the rigors of the sciences and need to be counseled out. There is inescapable conflict when the institutions need students on the one hand but want quality accredited programs on the other.

As to the two neutral Activities, one has had no special challenges in terms of risk, but the other is currently in a situation of having few students, having taken on new faculty, and although costing relatively little having become the cornerstone of the institution's new overall program and image. And it is no longer receiving Title III or other external support. It

is in place, waiting to prove itself, and there are practical as well as conceptual reasons for its doing so. It has promise.

Both the weak Activities represent holding on to a lost dream or hope, with few or no students, an unfocused program thrust, and few if any prospects. Yet in one case the institution supports the major because it is "good for community relations," and in the other institutional funds are continued because there is a possibility that the program can be brought back to life.

Institutional commitment, with or without present external funds, is a powerful thing--just as the lack of it is. In these cases, each institution finds (or found) reasons, values, for continuing a new program effort. The reasons appear to include: the witness of large early investment, extant qualified faculty, possible fear of "losing face," relatedness and importance to current mission and to the society, prospects of drawing good students, the fact that a good program is in place, and the wisdom of the original rationale and conceptualization.

For the moment discounting those reasons and looking at the current situation in terms of institutional condition, overall it would appear that of the ten new programs, there is no reason at all not to continue four of them, some fairly good reasons for judiciously retrenching in four of them, and good reason not to continue the remaining two new programs. Regarding the latter two categories, this is gratuitous of course. Faculty and others inside the two institutions that have overcome their serious risks reached and voiced the same conclusions some years ago. Yet some mix of good planning, strong leadership, career relevance, and a chance to "come of age" resulted in their now being important components of the program.

g. Afterthoughts

The commentary above applies to the ten new programs/majors that were nominated (and reviewed on site) as prospective success stories that would be instructive in various ways. And we have learned much about need and process from the most and least promising of these Activities. Yet something eludes. Just what mix of factors makes for a strong or weak venture may never be known, and the power of the context may remain unexplained. Is the new program supposed to save the institution, attract students, carry its weight--is that an operating assumption in developing institutions?--or is it that a new program will "really" flourish in an institution that is already flourishing and attractive in other ways? Is it possible that the "wrong" program for

a given place and time is too often initiated in isolation, apart from a grand plan, for bandwagon reasons, as a way of trying to attract students from a distance (from anywhere), or even in too many institutions at once? What makes for the "right" choice?

These--and other--institutions are trying to find their way or to catch up, so to speak, and capitalize on a distinctiveness developed in the past or newly created. A chief way of doing this is to embrace new programs and majors and in many cases to take risks in the process (as well as to refine or upgrade existing programs). There seem to be good reasons for many or most of the choices, especially those that are clearly career-professional in nature, but what accounts for later attrition of many such efforts?

We know from the record that many institutions in the sample have initiated several new programs over the years with Title III (and often other) support; and we know from the record as well as the visits that many new programs have been dropped after 2 to 6 years of development and implementation. One must ask why they were begun as well as why they were dropped. Is it possible that there is an unconscious dynamic that calls for over-reaching, for trying out a range of new programs/majors in the belief that the wheel of fortune will allow a certain few of them to survive? Are new programs begun before the evidence is in on the ones initiated 1 or 2 or 4 years earlier, or lessons learned?

In a search for some clues as to underlying explanations--not laws, since we are at this point only speculating--we examined specialist reports for the entire sample on the question of new ventures in the past 5-6 years that have since been dropped and basic reasons therefor. This is distinct from downgrading or eliminating longstanding programs (e.g., liberal studies, agriculture) that may be viewed as expensive leftovers from the past. Although this was in no way a census, information was available on over 20 developmental programs that have been dropped in recent years and 10 new programs now considered by the institutions themselves to be threatened. The 19 institutions in this subset included 2-year, 4-year, public, and private schools, and also included 5 of the 10 whose new programs and majors had been nominated for special review in the current study.

Overwhelmingly the abandoned new programs/majors have been respectable, up-to-date career-professional offerings in health sciences, pre-engineering, education, and social work; the same is true of the currently threatened new

ventures. Six categories of reasons emerged, all of them in relation to abandonment and several in connection with threat. The overriding explanation was "too few students" (little interest, not enough students to justify continued expense, interested but underprepared students, prospect of too few graduates) which may be tied to the academic and technical demands of most of these majors and also to the greater attrition rates that these institutions in general experience. The second most frequent explanation was "loss of external funding" (usually the end of a Title III development award, often meaning that funds had not stretched far enough to complete the development or that some funds may have been used for operational purposes). In a number of cases more than one key reason was given. Reasons for abandonment, some of which could apply to regular programs as well, included the following (showing frequency):

- Too few students (10)
- Loss of external funding (8)
- Outdated program, lack of planning, weak conceptualization (4)
- Weak leader or turnover (2)
- Could not get quality faculty; or internal faculty difficulties (2)
- Could not get accreditation (1)

Explanations for current perceived threat to new programs and majors included:

- Too few students (8)
- Could not get accreditation (1)
- Loss of external funds (1)
- Could not get quality faculty (1)

Incidental reports revealed that some institutions had considered new program thrusts but abandoned them before starting development or undertaking risk or expense other than the preliminary work leading to a no-go decision (after market and feasibility studies, and consultant help aimed at anticipating appeal to students; faculty, equipment, and space expense; and library additions). Decisions not to pursue a given program/major were often made in terms of priority uses of available Title III funds (whether decided by Title III program staff and/or institution personnel) or willingness to invest the institution's own funds alone.

Incidental reports also referred to a number of instances where other new programs/majors than those discussed here had been initiated, developed, and assumed by a wide range of institutions that had made them successful.

3. Strengthen, Refine, and Upgrade Existing Programs/Majors

These Activities are very similar in fundamental intent to those which generated new programs and majors: to make available program offerings that are current, attractive, functional, and productive. They are different enough in the focus of objectives, strategies, and outcomes, however, that they are treated separately here as a subset of program-domain Activities.

Twelve "program upgrades" were initiated between 1967 and 1979 (with a median developmental period of 5 years) all with external assistance (Title III, NSF, businesses, NEH, foundations, and/or special state allocations), two-thirds of them in distinct career/professional fields and the remainder concerned with "general strengthening." Institutions included public and private, and 2-year and 4-year levels; the majority were historically black institutions, both public and private. Program focuses were education, engineering, business, selected science fields, and the humanities. These Activities represented formal planned changes in existing offerings as part of an ongoing evolution.

Of the twelve, six were judged to be strong or effective (at institutions with overall programs judged strong, neutral, and weak); four were rated neutral (at neutral-program locations); and two were rated ineffective after 5 years' effort (at neutral and weak program institutions).

a. Activity Origin

Ten Activities had as their genesis some mixture of wishing to improve on a good or important (and not necessarily good) program feature, recognition of special opportunities, and an awareness of the need to "move into the future," now. Appreciation of these factors served as a base from which to begin. Examples of "importance" include an education program that was an institution's mainstay; a historic devotion to liberal education; and the need for accreditation. Combined with such views were motives that called for providing more career opportunities for minorities, developing professional legitimacy, renewing faculty energy and drive, and introducing new skills (such as computer operations, technology, and environmental planning) to existing courses of study. These origins characterized the strong and neutral Activities, but were not reported by the two weak Activities whose principal stated goals were to "strengthen student deficiencies," to support ongoing operational functions, and/or to gain more income by serving more students. While all twelve institutions presumably recognized the ultimate connections between better program and institutional condition, those with the

stronger Activities had a more sophisticated, professional orientation in choosing programs for strengthening and clearly did not embark on these particular developments simply as a means to fiscal stability. To be sure, all 12 Activities were reported to have made choices and moved ahead partly on the basis of known available funds (usually Title III and foundation grants).

Several Activities were also engendered out of concern for low student performance and job placement as well as for retaining new populations (minority, low-income, older adults). One Activity responded to a statewide mandate regarding teacher education programs.

The program-upgrade Activities varied with regard to locus of original leadership. In two cases the program selection was a high priority of the president whose first action was to hire a dean or chair to provide direction. In all other instances the idea came from individual faculty later supported by the president, or from chairs or deans acting pretty much on their own at least initially. In contrast with the new-program Activities, by and large presidential support was minimal to moderate (except for the two presidential priorities) across all Activities. These offerings had already existed in some form and leadership at lower levels was perhaps presumed sufficient; yet scope and potential might well dictate strong presidential involvement, and indeed did so in the two cases cited (both judged effective): a school within the university whose upgrading was deemed vital, and a humanities-liberal education emphasis that permeated the institution.

Activity origin was also related to some larger institutional focus or plan in most cases, clearly more characteristic of effective Activities. Examples include: strong relation to historic mission; long-range plan for general program upgrading; computer applications to academic-technical offerings; creation of a "star" department or school for institutional image and distinctiveness; and one program whose upgrading would attract a significant number of non-minority students.

These upgrade Activities shared one additional feature: early planning and dialog with professional societies, advisory boards, consultants, and the like, with preponderance of such interaction in the effective Activities. Market studies were seldom engaged in, however, although inferences must have been made in selecting programs for strengthening.

In connection with Activity origins, several factors appear to characterize and to some extent predict effective program upgrades: selecting

Activities in terms of overall institutional opportunities, plans, and needs; setting accreditation and professional status as a major goal; and engaging in early dialog with relevant groups. To a lesser extent, presidential leadership and involvement played a part in origin of effective Activities.

b. Activity Objectives

Partly as a function of the variety of programs and majors and partly because their selection implied a range of deficiencies, many objectives were reported--most referring to the Activity itself and many fewer to the institution as a whole. Across all 12 Activities the most common objectives included the following (showing numbers of cases):

- Increase number and quality of faculty (8)
- Increase enrollment and retention figures (8)
- Improve facilities, space, equipment, library (7)
- Train, graduate, and help to place students (6)
- Provide academic advising, tutoring, acculturation, other supports (6)
- Add options (minors, interdisciplinary offerings) (5)
- Apply one department strength to other departments (5)
- Obtain professional approval; accreditation; certification (5)
- Attract "good" minority students to the institution (5)
- Increase requirements, standards, rigor (4)
- (Generally) improve curriculum and instruction (4)
- Advance the service mission of the institution (4)
- Develop a "star" program for sake of institutional image and distinctiveness (4)
- Lay groundwork for projected (later) extensions (3)

Effective Activities tended to have more objectives overall, and characteristically reported objectives related to the institution as well as those most closely related to obtaining accreditation. In relation to objectives, it appears that the directors of the strong Activities engaged in more careful planning and goal-setting and had a more catholic sense of the significance of a good upgrading.

c. Chief Strategies

Overall, the effective Activities chose an array of strategies appropriate to the principal objectives of profesionalization; these were typically feasible, flexible in application, and related as a conscious mix of

approaches--neutral and weak Activities could not be characterized in this way. Overall, too, the strategies were very similar to those for new programs/majors, with one important exception: update Activities reported virtually no tactic aimed at recruitment (see Table VII.3) although a majority had stated enrollment increase as an objective.

There was close to universal attention to curriculum improvement (interdisciplinary effort, faculty released time, modern instructional design, task force and advisory functions, student internships often required); faculty enhancement (development, upgrades, new hires); and student services (providing targeted tutoring, academic advising, counseling), with qualitative differences mainly between strong and weak Activities. The strategies that distinguished effective Activities were attainment or near-attainment of accreditation (though an objective, also viewed as a strategy for attaining other broad objectives), improvement of library collections, dual programs with other institutions, consciously developing more rigorous standards (entry and exit), and financial and moral support for faculty research--earmarks of improved professionalism.

A few unusual or unique tactics were employed in the total group as compared with the new programs/majors. Three Activities (including one weak one) obtained industry donations for scholarships for upper level students, and three others made formal arrangements for faculty loans from industry or brought in high-level lecturers from time to time. In addition, three institutions developed performance objectives and mastery tests for upgraded courses. One Activity executed valuable systematic annual revisions or rotations of core content, course sequence, faculty leads, and assessment modules once annual revision was perceived as necessary (an effective Activity). Two of the Activities held top-drawer conferences for nationwide groups as a way of accomplishing some other strategies; and one (a neutral Activity) staged a full two-day mock accreditation visit with outside personnel who then held advisory seminars--viewed as a vital strategem toward their full accreditation achieved some months later.

d. Problems and Challenges

Each program upgrade Activity, regardless of whether judged strong, neutral, or weak, had from one to five notable problems. The effective Activities either had offsetting strengths, or more easily found resolutions.

For example, all six strong Activities had one or another problem related to faculty (original faculty apathy in the subject school or department, joint teaching assignments and use of facilities across departments, lack of "respect" and cooperation from traditional faculty in the institution). These were overcome by accomplishing accreditation, involving "other" faculty in planning, assuring the safety of funds in other departments, and providing faculty development opportunities. Finding and being able to pay qualified faculty was another challenge, helped in part by foundation support in two cases and continuing to be somewhat a problem elsewhere (though not a debilitating one).

By and large the neutral and weak Activities had other than "faculty problems." They had difficulty in finding enough (good) students (apparently not a challenge to the effective Activities) and setting up facilities suited to their aspirations. Some also had start-stop problems in actually getting under way with good initial planning and focus (although one found the solution in following Title III guidelines). Both weak Activities struggled with built-in difficulties such as requiring faculty to develop modules without released time, organizational restructuring in the division or department, and lack of supervision. Two neutral Activities had faculty morale and program implementation negatively affected by external forces (litigation or statute dictating which programs the subject institution would actually offer a year hence).

Developmental Activities in general face some of these problems, principally faculty attitude in the institution, recruiting qualified faculty, and attracting enough students. Less frequent generally are factors that are built in to the Activity planning (and hard to get around once under way), and clearcut external forces that affect discrete Activities as well as the institutions themselves but over which there is no control.

e. Outcomes: Realized and Potential

Outcomes of all sorts, for the update Activity itself and for the institution, are quite similar to those for new programs and majors, even though new efforts might be expected to engender more outputs by virtue of being added to the institutional scene. On the other hand, the basic program origins and objectives were much the same, as were the chief strategies employed--and in the view of some respondents the strengthened program components were so different from their predecessors as to now appear to be "new."

Certainly some of the updated Activities were rejuvenated, expanded, and improved in program and faculty quality.

As with the new programs/majors, the updated components could not reasonably be expected to make major change at the institution level in and of themselves, or at least not a readily apparent change. At the same time, something either direct or potential should be expected from the several update Activities which set out to make a big difference: to create an engineering school of national repute, to develop a BBA program from a stepchild to a strong department, to enhance the liberal aspects of the total curriculum, and to meaningfully strengthen the teacher education program as a continuing mainstay of mission and operations.

Major findings are shown in Table VII.3, across three rating subgroups. Most outcomes, at both Activity and institution levels, are shown for the effective Activities (the four outcomes for the two weak programs are actually for one Activity, the other reporting none or at least nothing convincing or significant). The same strong Activity reported the two negative outcomes shown--reduced enrollment and some perceived detriment to other departments--although in net these did not counterbalance several positive effects.

Table VII.3 includes several entries with only one case indicated; this emphasizes particular outcomes and their importance (e.g., enrollment down, potential for attracting non-minorities, trained staff ready--when the institution is--to move into administrative computing). In addition, note may be taken of certain other entries. It was important to several respondents that a given upgrade had found a "respectable" place in the institution, as part of the current mission, as an evidence of the importance of expanding overall program, and recognition of faculty qualifications. In this regard, also, three Activities (two strong, one neutral) achieved accreditation and two others were quite close to that landmark, further contributing to institutional visibility and professionalism--a feather in the institution's cap. Finally, the entry showing attraction of outside support is an important one, since some of that support (from whatever source, including the system and legislature in one case) goes directly to the Activity but some other financial resources go to the institution by virtue of the scope of the upgrade program.

Table VII.3

Activity Outcomes/Consequences at the Activity and Institution Levels, by Subgroup

PROGRAM UPGRADES

	Original Activity Ratings		
	Strong N=6	Neutral N=4	Weak N=2
AT THE ACTIVITY LEVEL			
Actual Outcomes			
+ Program in place as intended; improved quality	6	3	?
+ Has accepted place in Institution now; integral	5		
+ Good student products and placements	4	2	1
+ Broader career options in department/division	4	4	
+ Firm relations with outside agencies, foundations; for program, internships, placements, academics	4	1	
+ Markedly better faculty quality	3	2	
+ Enrollment increase (for various reasons)	3	1	1
- Enrollment down (vigorous requirements)	1		
AT THE INSTITUTION LEVEL			
Actual Outcomes			
+ Program is accepted; strengthens the institution's current mission	4	2	
+ Image, visibility, PR, or real distinctiveness	5	1	
+ "Good" students enroll for the particular program and its vitality and career options	4		
+ Foundation and business grants, and state support have been attracted	4	1	1
+ Catalyst for program and faculty development in general, academic advising, competency-based academic mathematics	3	2	
+ Increased broad commitment to liberal education	1		
+ CAI facility now available for all	2		
- Energy to the Activity at cost to other Departments	1		
Potential Outcomes			
+ Strategic inroads on relations with outside agencies & groups (for other programs/majors)	3	1	1
+ Attract and Serve low-income/minority students	3		
+ Trained staff ready for administrative computing	1		
+ Attract non-minority students	1		
+ Model for upgrading and accreditation efforts	3	1	

+ Reported positive outcomes.

- Reported negative outcomes.

Formal case histories of selected Activities would show the interaction of important factors like these, where faculty upgrading, accreditation, attraction of students, professional repute, and significant external support all helped reinforce one another and result in marked change over a period of 4 to 10 years. In the best of cases, there is a necessary mixture of process and product that must result in a new, refined status before ultimate outcomes can be expected or identified. In this sense, upgrade Activities represent a level of risk just as was discussed in relation to brand new programs, although--given their prior program and faculty existence--there appears to be less risk (of any sort) involved.

4. Enhancements to the Intructional Enterprise

While some 22 Activities approached improvement of the academic/technical program through upgrading existing programs or creating new ones (programs, majors, departments) with a focus on a given discipline or career-professional area, another group of 16 Activities undertook to improve the academic/technical program as a whole. Five different types of approaches were carried out:

(a) Development of competency-based instruction paradigms from objectives to output measures for application to all or most of the academic/technical programs (3 cases).

(b) Review of the entire curriculum (or at least the general education portion) toward altering requirements, enriching selected areas, and developing instructional technologies (3 cases).

(c) Faculty minigrants (on an individual basis but typically combined with all-faculty workshops) for improving or developing courses, adding modern media approaches, writing textbooks, organizing interdisciplinary efforts, attending seminars, etc. (4 cases).

(d) Organizational or service structures aimed at enhancing program value, such as arranging formal internships or academic preparation for health careers (3 cases).

(e) Creation of multifaceted "Learning Resource Centers" combining library, instructional media, computer-assisted instruction, tutoring, and self-instruction for use by all faculty and students as a resource (not as a rigid program in itself) (3 cases).

These Activities were initiated as externally assisted entities between 1972 and 1980 with a median developmental life of 5 years (also the mode); two Activities were funded through the 1982-83 academic year. As a group they enjoyed much less non-Title III outside support in dollars and number of

agencies (2 Federal grants, 3 foundations) than did the group of 22 Activities directed to new or strengthened specific programs/majors. The institutions included 2-year and 4-year levels, public and private schools; one-third were historically black institutions, public and private.

Among the 16 Activities, 7 were rated effective, 5 neutral, and 4 weak or of minimal accomplishment. There was at least one strong Activity in each of the 5 program types under review. Half of the Activities were rated as had been the overall programs at their institutions; the other 8 were equally split among those that moved up or down one rating as compared with overall program ratings.

The remainder of this section discusses development paths from origins to outcomes for these instructional enhancement Activities, with necessary compression across the five types identified.

a. <u>Activity Origins</u>

The ultimate goal in virtually all cases was to improve opportunities for students (in terms of learning, careers, placements) by altering instructional approaches or standards and increasing available options for mastering their courses of study. (One is reminded that in a very real sense this notion of "assistance" and "resources" was legitimized in higher education when Harvard University instituted its reading and study skills center in the late 1940's.) This goal was expressed variously as a need to determine course and program inputs in terms of basic skills and also outcomes in "marketable terms," to learn how to individualize, and to establish more systematic and objective modes of instruction and evaluation.

This goal in turn was frequently related to seeing the need for the faculty's direct role in improving instructional practices (as opposed to general plans or edicts) as well as for actual curricular changes. Thus the underlying motive in some cases was to spark faculty morale, change faculty attitudes and assumptions about their own areas <u>and</u> about total institutional program, and thereby to revitalize the curriculum as well as modernize instructional methodology.

Thus, by definition in student, faculty, and program terms, these Activities were institution-wide in intent; they were the outcomes of perceiving broad needs and purposes which aimed at "improving" the situation, the ambience, morale, and program utility. Several precursors or spurs to action helped the institutions move in these particular directions with targeted

external assistance. In 3 cases prior small-scale efforts had stimulated a more careful look; in 4 cases there was a perceived need for technical program accreditations, a strong nudge from a regional accrediting agency, or an upcoming review; in 3 cases there had been formal reviews of mission and an agenda for merging liberal education with career directions. There were also several student-related observations such as an enrollment decline, difficulty with a core curriculum's requirements, and a high level of early but "wrong" selections of majors and subsequent changes. These aspects of genesis were not unlike those for some of the new programs and program upgrades, but in the present group of Activities the "solution" was seen in terms of broad institutional efforts at change as opposed to individual programs or majors.

In spite of institution-wide broad goals presidents were credited in only one-fourth of the cases with having initiated or consistently pushed and monitored the given Activities. In another 4 cases faculty members apparently both initiated and prodded (in the absence of strong administrative leadership although there was quiet support), while in the remainder deans, chairs, and other mid-level personnel provided initial impetus and leadership as well as follow through.

b. Activity Objectives

Specific objectives were inherent in the broad goals and background discussed above. They fell into the same three focuses--students, faculty, and program--with a clear emphasis on instrumental functions as opposed to ultimate outcomes. In 4 Activities one stated objective was to increase retention; in 2 cases to retain accreditation; otherwise objectives were stated at the Activity level itself as follows, across all five Activity types:

- To identify specific competencies needed by students in courses and total program; to relate competencies to career options; to provide "more help" to nontraditional students.

- To develop individualized and objectives-based program content, modules, and options; to improve or create procedures for measurement and evaluation; to expand or strengthen selected programs or broad general education; to centralize all instructional resources.

- To raise faculty consciousness and develop grassroots attitudes about instructional options, use of technology, teaching/learning; to actually change instructional practice; to upgrade faculty credentials; and--an unusual objective with important implications--to train <u>trainers and resource persons</u> for continuation of leadership functions.

Objectives did not vary significantly by rating group, except that neutral and weak Activities tended to have fewer specific objectives. Two Activities (one neutral, one weak) illustrate an important qualitative difference, however, in restricting their purposes to the student level (attaining competencies or career awareness) apparently without attempting also to change the program and faculty aspects of the overall program mix except incidentally.

c. Chief Strategies

Strategies generally operationalized the objectives in standard and predictable ways. These included: use of academic and industry-related consultants; creation of labs and media centers; purchase of media and CAI equipment; development and administration of tests and measures; provision of tutoring and some related counseling; committee assignments and other measures of involving <u>many</u> faculty; visits to other campuses or resources; focusing on selected program areas as a primer; development of guidebooks for change; training and use of tutors; day/evening availability of resources to students and faculty; and contact with employers regarding placements and internships.

Faculty development was a key strategy in all 5 Activity types and in many of the discrete Activities, since logic called for a strong faculty-development interface in order to accomplish the broad goals in instructional enhancement. In this sense, strategies included: all-faculty campus workshops, "return-to-industry" opportunities for technical faculties, released time for development work on materials and tests, demonstrations of new media and technologies, and in a few cases off-campus study semesters.

Faculty development in the "faculty minigrants" was considerably more focused, however, with a clear emphasis on given products at the end of the grant period as opposed to a more general exposure to issues and processes. The two minigrant Activities rated as effective (one at a private 4-year school, the other at a public 2-year college) shared a number of characteristics that would appear to define a good overall plan. Strategies included: individual and small group grants (for a semester, a summer, or 60-percent time for a year) based on juried approval of a proposal that followed a specified outline and resulted in a contract; sufficient funds for accomplishment of aims, which usually embraced instructional methods and materials in a course or department, creation of a new course, textbooks or lab guides, A-V presentations, or culture exhibits; reliance on a formal committee to assure that varied departments were represented each year; and, in one case, required

weekly seminars for faculty working at the same time regardless of varied disciplines and products. A critical chief feature was a mechanism (strong leader or committee) for providing direction and supervision as well as technical assistance in accomplishing the products. A final principal feature--in all examples, regardless of rating--was encouragement of individuality and independence within a given discipline or technical area and thus a further boost for professionalism.

d. Problems and Challenges

This group of 16 Activites reportedly had remarkably little in the way of difficulties and challenges. The single greatest challenge (reported in one form or another in three-fourths of the institutions) was "faculty resistance" at the outset, continuing in only two Activities up to the present. Faculty resistance is usually defined as apathy, turfism, and/or concern over spoonfeeding students or diluting the curriculum. The Activities working for competency-based curricula seemed to draw the greatest amount of resistance, while the Activities centered on faculty minigrants reportedly drew none. (So many faculty were given grants, and morale and professionalism were obvious goals, that resistance was minimal or nonexistent in minigrant Activities.)

In two cases, the faculty-related problem was a bit different: faculty turnover (thus diluting Activity potential) in one institution, and a traditional friction between academic and technical subfaculties in the other.

e. Activity Outcomes and Consequences

This group of Activities yielded virtually no outcomes or consequences of an ultimate sort at least in ways that could be clearly documented by the institution. At 4 institutions some tentative claims were made that the given effective Activities had contributed to (not clearly resulted in) improved enrollment and reduced attrition. These 4 efforts may reasonably have contributed because they are so universal and program-related in their institutions: a remarkably active and integrative learning center, a faculty minigrant program that enhanced career offerings, a comprehensive competency-based approach that now has competencies for hundreds of courses listed in the catalog, and an internship service embracing many majors and structured to include overseas study. At the latter institution both positive and negative impacts were reported in terms of direct income; some concern with loss of

tuition from the increasing number of students studying abroad was counterbalanced by tuition increases from enrollments in the international studies curriculum on campus.

Other outcomes represented general strengthening of the academic/technical program and learning opportunities, positive changes in faculty and student morale, and "personal" benefits to a large number of individual faculty members. The latter refers to the fact that many individuals earned personal respect, had opportunity to develop professionally in their disciplines, expanded their horizons particularly in instructional methodology, and otherwise came out as better instructors with improved competence. In like vein, many of the reported outcomes in these types of Activities were felt at the course or department level, rather than in institutional terms directly, where it was assumed and hoped that individual and department gains would eventually rub off to the benefit of the institution of the whole. In the two strong faculty minigrant Activities, for example, over 80 percent of the beneficiaries remain on campus to practice their new skills and preach quietly to their colleagues.

Table VII.4 reports a wide range of outcomes and consequences (beyond those above) for the institution as a whole, in terms of the three rating subgroups. All 5 Activity types are included in this combined format. Since the objectives were aimed at institution status and program, all outcomes are inferred to be institution-related although some of course redound to the benefit of individual Activities as the source. Similarly, no distinction is made between actual and potential outcomes, since for this group of Activities they are much the same: what has already occurred continues to do so and likely will continue to be of benefit as Activity residuals stay in effect or use.

Half the Activities resulted in products for immediate and/or later use, as noted in Table VII.4. Respondents in several locations were adamant in their assertions that herein lay the real and lasting value of these Activities: guidebooks, workbooks, manuals, and a wide array of instructional materials; textbooks written by faculty; A-V and other media products; new or reorganized syllabi; sequenced statements of course and program objectives; instructional modules (and in 3 cases, new courses); and CAI programs and guides. In addition, several institutions reported spinoffs of their efforts, either as continuations of Activity components or as ideas picked up by others,

Table VII.4

Positive Activity Outcomes/Consequences at the Institution Level, by Subgroup

INSTRUCTIONAL ENHANCEMENTS

	Original Activity Ratings		
	Strong N=7	Neutral N=5	Weak N=4
Faculty attitudes on learning; dialog with students; etc.	5	1	1
Faculty morale; respect; professionalism; competence	4	1	1
Faculty interaction, cross-fertilization	4	1	2
Student morale satisfaction, career awareness, knowledge of objectives, skill gains, etc.	4	3	2
All students now tested systematically		2	2
Big gains in medical-dental school placements		1	
Big gains in % passing state nursing boards			1
Centers or Services in place, functioning, available, and being used extensively	2	2	1
Improved learning labs, basic skills, materials	4	2	2
Meaningful change in <u>broad</u> use of instructional technology and options; instructional design	4	1	
Congruence of program across different faculty and <u>locations</u> of the institution	1		
Faculty trainers now trained and available	2	1	
Faculty/staff involvement in planning (even budgeting)	5	2	1
Institutional climate, ambience, vitality	5	2	
Reaffirmation of accreditation		1	1
Donations of equipment and foundation grants have been attracted	2	2	
<u>General</u> improvement of program quality; breadth	6	1	1
New requirements for General Ed; objectives; sequence; reorganized	1		1
1-2 specific programs stronger now (used as pilots, primers for the Activity)		1	1
Capabilities (planning, making changes) now developed and available	2	1	
* Direct Spinoffs now in place or evident	4	2	1
* Products in use, available, integrated into fabric of broad program	5	3	

* See text for examples.

including: creation of an Academic Support Division; special program for re-entry students; a $20,000 budget item for faculty development; other faculty now trying out instructional methodology; a new interdisciplinary major; several faculty beneficiaries developing instructional materials on their own time; and faculty on sabbatical in fall 1982 specifically to gain instructional design competence (at institutional expense).

It is obvious from Table VII.4 that strong and neutral Activities realized these products and spinoffs (as well as other outcomes) to a far greater degree than weak Activities. However, particular outcomes reported by weak Activities were of special importance in their situations, including reaffirmation of accreditation attributed (in part) to the instructional Activity, the current testing of all students, and one case where performance of nursing students increased dramatically.

These institutions as a group (excluding three with Activities judged especially weak--and one of these stopped operation when external funding ceased) have a reasonable chance of continuing to benefit from the sorts of outcomes discussed above. Among the 13 Activities with this prospect, 1 continued to be funded in 1982-83 and had already accomplished useful outcomes including accreditation; 7 Activities had been formally subsumed into the institutional budget as of the 1982-3 academic year, in only two instances with a notable reduction in effort; and in 5 cases the outcomes for students, faculty, and/or program appeared to be firmly enough in place to be valuable residues for several years. Change in instructional practice--at least as reflected by the Activities chosen for review--appears to have much appeal in developing institutions and to have much potential for affecting the overall milieu during development and later. For example, three institutions found (or originally intended) that their instructional-enhancement Activities became a focal point for program, mission, and promotion; in three others the same dynamic operated to a lesser but still notable extent. These focuses were expressed through institution-wide competency-based approaches, mini-grants with an instructional emphasis, and learning resource centers.

5. Student Support Services

The three program-Activity types discussed thus far (new programs/majors, upgraded programs/majors, and improvements in overall instructional approach) share a concern with altering the nature, content, and delivery of program. The final type is directed at students themselves--so that their

attitudes, skills, and actions may be enhanced as they interface with the program. The 25 student support Activities embrace two subcategories with several classes in each. In that the field study included all classes listed below, a fairly comprehensive review of "student support services" was possible.

Category 1. Basic Skills (developmental studies, academic skills, freshman studies) (8 cases)

- Basic Skills for Freshmen
- Basic Skills for first 2 years
- Basic Skills Related to General Education Requirements

Category 2. Student Services (17 cases).

- Comprehensive Counseling
- Career Services & Placement
- Retention Program (Specialized)
- Special Assistance for Native Americans
- Academic Advising

The listing above reflects the major focuses and thrusts of individual funded Activities. However, there is considerable overlap in purpose and procedure among these support service efforts. For example, basic skills Activities sometimes aim at retention and frequently include general counseling; comprehensive counseling, even where directed only to freshmen, often includes a career component; various Activities offer some level of academic advising and/or provide tutoring; and various student services Activities have an integral concern with basic skills that is more than a referral function.

These Activities were initiated (or first obtained external assistance) between 1972 and 1981, and sustained a median developmental span of 5.5 years; 10 of the 25 Activities were funded through the 82-83 academic year. Except for one UNGF grant and one targeted state appropriation, these efforts were not supported by other than Title III awards. The institutions included 2- and 4-year levels, public and private; half were historically black institutions, both public and private.

In all, 12 Activities were rated effective (mostly in the student services category), 9 were judged neutral, and 4 were rated as weak-ineffective. Half the Activities were rated as had been their institutions' overall programs; all but two of the remainder moved up a rating level compared with

overall program rating (that is, from weak-program to neutral-Activity, or neutral-program to strong-Activity).

a. Activity Origins and Objectives

The underlying goal in these Activities was twofold: to meet student needs (presumed or demonstrated) of an academic, personal, and/or career-placement sort, and thereby to aid in the retention of students for completion of the 2-year or 4-year program. The action was to be on students, not on the program of offerings.

This broad goal was intimately related to a perception of a sizeable proportion of students (mostly incoming) as academically underprepared, first generation college-going, inexperienced, and unclear as to life or career goals. These factors made them susceptible to dropping out in the first semester or first year and thus prime targets for assistance in general adjustment, acculturation, basic academic skills, and selection of appropriate academic/technical majors. Indeed, participation in such assistance was often required--in basic skills and various support services Activities--for all freshmen, for low-scoring subgroups, or for students in particular academic courses or programs. Making participation mandatory was a chief strategy in these cases, but even more important, it reflected a fundamental concern for adjustment and retention based on years of experience (principally with freshmen).

As with instructional-enhancement Activities, these student-centered efforts were institution-wide in intent in virtually all instances (though not guaranteeing awareness, acceptance, or utilization on the part of the faculty). Several earlier circumstances or pressures contributed to some level of concern at the institution level, most frequently attrition data, formal recognition of low-level basic academic skills, and awareness of a void in support services or a deleterious lack of coordination of whatever did exist. Students unknowingly generated interest and action by pressing existing services for more assistance (which led to basic skills courses or programs in a few cases) or by dropping out and leaving signs that they had been left to drift, unserved. (In one notable case, a whole administrative team responded to a memo detailing an exit interview with a student who had been "ignored by the system"--and that sad report became the linchpin in a long range plan to provide services in general and academic advising in particular.) Two presidents--among others--felt that "something was wrong in the academic arena" and promoted the emergence

of broad services which attempted to enroll faculty in the retention fight. In other locations there was dissatisfaction with the "soft" voluntary approach to these needs ("That's the icing without the cake underneath") as opposed to required participation in a structured program; an awareness that older students returning to two-year colleges needed special attention; and a sense of mission in responding to the array of needs presented by Native American students.

As a result of such forces, many institutions ultimately created mechanisms for "monitoring the academic trail" of students in general, not just high-risk students. This concept provided a spur to decisions that led to structured freshman orientation, required basic skills courses, coordinated approaches to academic counseling, collection of performance data, and creation of centers in which related services could be offered.

Objectives of these various Activities are inherent in the sorts of action taken and sometimes are specific as to degree of improvement or amount of intervention, but may be summarized as:

- improving retention (especially of freshmen)
- providing coordinated academic and counseling services
- assisting in personal-social-career adjustment
- altering faculty attitudes and involving them in the retention effort
- improving basic skills performance
- relating basic skills instruction to general education courses
- serving populations "new" to the institution
- tracking academic/technical performance through the college years
- maintaining an aspect of institutional mission
- modernizing instructional techniques
- decreasing number of "discipline" and crisis situations

Such objectives generally relate to students as consumers and of course as a necessary ingredient of institutional survival. These objectives also reveal an institution-wide concern for retention, the well-being of students, and the necessary involvement of the faculty. There were no notable distinctions in origins and objectives among effective, neutral, and weak Activities. However, there was a tendency for the stronger Activities to be conceived in broader (and/or more realistic) terms from the outset. Two of the weak Activities, for example, stated objectives as "to reduce freshman attrition by 25% in the

first (program) year," and "to improve basic reading skills by 3 grade levels in one (intensive) semester."

b. <u>Chief Strategies</u>

Even though there were several different classes of Activities, they carried out a number of similar strategies in approaching their quite common major objectives; these strategies were almost universally appropriate to accomplishment of objectives, except where unrealistically high levels of outcome had been specified. For example, almost half the Activities conducted specific training for faculty and staff (and peer counselors or tutors) directly involved in delivery of services; and a similar number engineered semester or yearlong freshman orientation programs (most of them required and some with credit) that encompassed testing, counseling, career awareness, academic advising, acculturation, minority concerns, referral service, follow-up, tutoring, dorm life--and in some cases financial aid, advocacy, or special provisions for older adults, commuters, or foreign students. Where there were not such formal structures as orientation programs, basic skills courses, or "Centers," one way or another the strong and neutral Activities made this wide range of options available, whereas the weak ones were more parochial.

In reality the chief strategy was to provide an array of services and to hire and/or train providers. There were some differences, of course. Among the basic skills programs credit was not always given, individual lab options were only sometimes available, and in a few cases the skills were worked on in isolation from regular courses or general education requirements thus severely limiting application or retention of skills in the larger college context. Among the student services Activities freshmen were sometimes mothered over for a semester and then "forgotten," where elsewhere formal tracking (and staff responsibility for same) were built in up to the junior year or longer; some programs were served strictly by staff, in contrast to those that utilized staff, faculty, and/or peers in a formal way. And a few Activities included a series of student seminars or workshops (personal development, study skills, etc.) as a formal part of the offering.

A number of strategies were unique or almost so in this sample of Activities. Institutions engaged in special approaches suited to their situations, and these should be enumerated because they reveal good planning or the presence of a broad view of what may be required in order to stem an attrition

syndrome or accomplish various intermediary objectives. Among such strategies were:

- a sophisticated computerized data bank on student intake scores, first semester grades, and other data--available to staff through terminals in their own facility
- notarizing two counselors so that they could properly handle financial aid transactions and other special needs
- establishing and staffing a career center on each of 3 campuses
- applying a "mentor model" in which an older peer and a faculty member had yearlong comprehensive responsibility for a small group of freshmen
- development of a systematic early-warning system of midsemester grades and other data (against some entrenched opposition to change)
- creation of a minor in Indian Studies as a means of integrating Native American culture (and Native Americans) into the college program and consciousness
- administration of a "leaver's questionnaire" to dropouts over a 4-year period in addition to occasional exit interviews
- training highly-select faculty volunteers for serious, committed, long-term work in academic advising (with no released time)
- creation of a broadly-composed Steering Committee (in both institutions that undertook a specific "retention Activity")
- hiring (for the first time) professionally-trained counselors, psychologists, and career-placement personnel
- summerlong freshman orientation workshops before fall registration (with special value of creating peer group/personal relationships)
- inclusion of science and speech among "basic skills" offerings

There were no special distinctions among the strong, neutral, and weak Activities in the strategies employed. What seemed most to distinguish strong from weak were qualitative differences in the execution of the strategies undertaken, such as the apparent leadership, energy, and degree of commitment on the one hand and efficient coordination of services on the other. Such coordination typically included planned interface with other functions or Activities that worked toward the same basic retention goal <u>or</u> that could assist the subject Activity in its purposes.

c. Activity Outcomes: Actual and Potential

Outcomes and consequences related to institutional condition were very difficult to demonstrate for these student support Activities, principally because (1) only 5 of the 25 had data on retention, enrollment, basic skills performance, or general program performance that could be reviewed in detail, and (2) in virtually all cases, including those 5, there were several other concurrent features of the broad program whose effects likely impacted on retention and performance, making it essentially impossible to attribute any such outcomes to the subject Activities alone.

Institution personnel at one or another level either claimed or strongly suggested the possibility of positive retention, enrollment, and/or performance effects for 19 Activities; the other 6 (1 strong, 2 neutral, and 3 weak Activities) did not refer to such outcomes. Such indication of impact was typically sustained by testimony as to impressions, a prediction that data to be kept in future would substantiate past/current gains, or reference to individual student "success stories." In one of the weak Activities, data were presented on basic skills performance where naive analytic procedure had made even pre-post gains impossible to interpret; essentially the same was true of 2-year and 4-year studies of retention data in a strong Activity, where patterns were skewed by inclusion of transfer students or cumulative figures from freshman to senior years which purported to show four successive freshman-year indices. In another strong Activity the record showed a 90 percent gain in Native American enrollment, certainly a fact, but just as likely the result of a non-Title III recruitment effort as of the subject array of support services (which would imply retention success as a factor in total enrollment). In two other Activities rated effective, data were available on overall 3-year reductions in academic dismissals/probations, but each institution also had several related ongoing services that likely contributed.

In this subgroup, it is more characteristic of strong Activities than neutral or weak to keep records and data that may attest to impact on major needs such as retention. However, these same Activities are in institutions that clearly tend to promote several concurrent attacks (direct or indirect) on attrition--and to have those efforts interact--thus decreasing the possibility of demonstrating that a given Activity had signal success. This same factor applies, perhaps less forcefully, to those few cases where records have been kept showing relative reductions in numbers of discipline reports and

requests to change a major, or increases in number of cross referrals and follow-ups or number on the honor roll. These certainly are commendable outcomes of "total" efforts, but difficult to attribute to a single type of intervention.

Hard data do not reveal much in the way of Activity outcomes. We must look elsewhere, even in the contrast of strong and weak Activities. The reports suggest certain major types of effects that both describe the benefits derived and distinguish subgroups of Activities, although these are all in terms of direct or indirect institution judgments about the perceived value of the Activities. These effects relate to students, faculty, program, image and mission, recruitment, residues, and potential for spinoffs or further benefits--with emphasis on student, faculty, and program.

Strong and neutral Activities shared a number of these effects, neutral programs generally having fewer but also showing notably less potential for continuation or extension of useful benefits as a result of "gains" thus far. The weak Activities, by definition, reported few if any positive effects and only one example of a useful residue (where a discontinued academic advising Activity left behind an efficient, computerized multi-site registration process with faculty "really" available to confer with students over pre-printed individual planning sheets). The four weak Activities had two additional main features in common: (1) reporting in essence a very general chief impact as "a program in place"--or that it used to be--and thus "students are being served," and (2) revealing several interlocking process factors that apparently spelled virtual defeat (inability to interface with other campus services, disorganized Activity administration, failure to carry out essential strategies or pursuing implausible strategies for meeting objectives, and clearcut lack of support or appreciation of intent on the part of top administration).

Positive (and negative) effects reported by strong and neutral Activities are outlined in Table VII.5. The most common qualitative and process outcomes are noted in the upper portion, for faculty, students, and general program respectively, with addition of negative consequence noted. They should not be interpreted as comprehensive (or reflective of all Activities for that matter); for example, in some cases "improved faculty attitude" apparently means improved from a past point zero to a better level, or refers to a majority of faculty, not all. Similarly, gains in student morale, career choices, placement, and so on, reflect a general sense of improvement and positive change.

Table VII.5

Positive and Negative Outcomes and Consequences for Strong and Neutral Student Support Activities

Common Outcomes and Consequences

+ Improved faculty and staff morale
+ Faculty attitudes re student populations and appreciation of their needs for support; sense of responsibility for retention
+ Faculty (and student) attitudes toward minorities and their cultures
+ Faculty and staff professional development & growth

+ Improved academic advising and satisfaction with same
+ Provision of academic, personal, career services to large numbers
+ Improved and enlarged student-faculty communication (as people)
+ Student morale, socialization, sense of success, adjustment
+ Team efforts in solution of individual needs (academic, personal)
+ Team efforts in steering students to choice of majors, careers
+ Improved performance in general education requirements of first 2 years
+ More (and better) referrals and follow ups
+ Students select majors with fewer changes (also career focuses)
+ More students in internships and off-campus study opportunities
+ More (and better) placements

+ Strengthening and affirmation of mission (historic or new)
+ Enhancing general campus atmosphere
+ Enhanced institution image in surrounding area

- Faculty jealousy of expenditure of scarce institutional funds
- Student resentment of being required to join formal groups or courses
- Conflict over academic advising and student selection of majors (who should advise; concern with traditional majors)

Common or Unique Byproducts and Residues

+ Creation of student services division or basic skills program; reorganization
+ Establishment of a formal testing program or assessment center
+ Full data and records system on all students
+ Computerized alumni listing and tracking (for several useful applications)
+ Development of a learning resource center
+ Formal staff development workshops/seminars on student populations, learning styles, instructional method, career options
+ Application of services to adults and nontraditional students
+ Additional departments offer and/or require internships
+ Creation of an algebra course
+ Reinstatment of writing proficiency examinations
+ Libraries of instructional, counseling, career materials
+ Extension of support and individualization from target minority population to entire student body (concept and actual opportunities)
+ Creation of a minor in Indian Studies
+ Community use of new facilities or programs
+ Standard concept of freshmen in peer or cluster groups (a given)
+ Use of contacts in recruitment & placement
+ Certain 2-year programs now require a "career awareness" course
+ Standard procedures for placement

One broad attitude of significance (not indicated in Table VIII.5) was directly expressed in two institutions and implied elsewhere: if nothing else, the Activity "keeps the attrition question visible" and by extension this perception has led in some cases to a new attention to populations such as adult students, nontraditionals, minorities, and foreign students.

The lower portion of Table VII.5 lists unique byproducts that now exist as permanent parts of the institution, aspects of continuing operational Activities or residues that are valued and useful. The first six are perhaps the most important products since they are "structures" now in place. These six entries represent a total of over 15 instances where something new has been added, a structure or a service now highly valued for what it does as well as for its potential. Other byproducts are of course also valued and were so reported.

E. A Summary Examination of Factors Related to Success of Developmental Activities

Although the Activities reviewed are diverse, there appear some common aspects that are associated with their success as developmental effort. These include:

-- The origin of the successful developmental activity predates the period of its specification in the application for assistance, frequently by a number of years. It seems clear that those institutions that use the specified allowable activities as a shopping list, or that have a particular activity imposed on them, are less likely to experience success than where the need has been recognized, the idea has stood the test of time, and some deliberate preparation has been made.

-- The successful developmental activity tends to be one to which the president of the institution is committed. Faculty and staff entrepreneurship is important, but was seldom sufficient unless the president had first been sold (with the possible exception of the program category of Activity devoted to improvement of the instructional enterprise). The activity is one that expresses a developmental priority for the president, and that is likely to have associated broader positive consequences that he or she can specify as well as specific impacts that are of concern to the activity operator.

-- The successful developmental activity has a clear and integral relationship to the mission of the institution, and a fit within a long-range plan. It may extend, augment, or enhance the mission as well as explicate it, but it seldom represents a wholesale diversion or special venture or fishing expedition.

-- The objectives of the developmental activity are reasonable, sometimes to the point of conservatism. This factor may signal reasonable insight into the nature of the developmental task; it also expresses an attainable standard for later judgments toward retention or abandonment.

-- The development costs are known and are budgeted; necessary supplements are found or provided The time table for development is known, is realistic, and is met. There are built-in cost-accounting procedures, and budgetary controls are exercised.

-- There is a prior-to-development assumption by the institution that it will pick up or arrange for costs of operation; internal and external non-Title III sources of support are anticipated and are largely predetermined. Further, there is generally a contingency plan, at least in the mind of the president or other administrative official responsible, ~~for assumption~~ of all or part of the activity components should funding be interrupted.

-- Responsibility for development is vested in a competent individual who reports, in the developmental phase, to the official who will have later overall responsibility for the operational phase. Nevertheless, the president keeps informed on the progress of the activity.

-- Outside assistance, when required, is obtained from a reputable source without a profit or continuing relationship motive. Successful developmental activity operators are aware of success and failure experiences elsewhere.

--- There is a strict adherence to the rules and regulations governing the grant by all involved parties: the activity operator, the Title III coordinator, the chief fiscal officer, and the president. This held even when there were "good" reasons for stretching a point or deviating, and without regard for the "reasonableness" of the requirements. The institution builds in the internal monitoring systems necessary, and maintains them scrupously.

-- There is an honest acceptance of the intent of Title III that Federal funds support the development of capability for sustaining the institution outside of Federal support through Title III, and an aggressive and serious attempt to deploy the activity toward this purpose. This appeared to hold in successful institutions, even where there was, in addition, an active lobby against the graduation notion and for continuing support from Title III as the "poor institution's NSF."

PART FOUR: SPECIAL ISSUES AND IMPLICATIONS

Chapter VIII

Contribution of Title III and Other External Support to Institutional Development

This chapter provides, first, a summary of the implications of the findings, in each of the three domains, of particular relevance for Title III policy and procedures. Then, the more general (and Title III-relevant) characteristics of the positively developing (or "strong") institutions are discussed, in such terms as their degree of readiness for development (and factors contributing thereto), and characteristic response to program requirements and regulations. Finally, implications of the success experiences for Title III program policy, development, and operations are considered, with special attention to current program intent; use of consortia, assisting agencies, external evaluators, and consultants; and purchase of equipment.

A. Introduction

As noted in Chapter I, the essential quest in this study has been to learn how developing institutions make best use of external support. In pursuing this purpose, we have up to this point outlined three essential kinds of information: the goals and types of external support provided by the HEA Title III program and other outside "soft money investments," a profile of effectively developing institutions as units, and a review of discrete externally-funded Activities in terms of their contributions to institutional health and viability. The purpose of this chapter is to bring all three kinds of information together with regard to the implications for the Title III Program itself, in its business of awarding external funds for internal needs in developing institutions. Although the implications for the Title III program are stressed, this synthesis is also directed to other providers of assistance--foundations, businesses, organizations, and Federal agencies other than the Department of Education Title III program.

As also noted earlier, efforts at the "Activity" level are an appropriate medium for discussion since the Title III Program (and other external resources) typically support such definable units of developmental effort. And institutions themselves apply this approach as they decide where to start, what to give priority to, and what to expect as outcomes as they search for ways to

change and improve their programs as well as their conditions. Institutions may be thought of as "large units" in comparison with Activities which are almost always "small units" directed to particular purposes. Like the Title III Program, institutions employ, make use of, and operate with these smaller units. And thus the underlying question "How does the institution as a whole make best use of externally-supported Activities?" must take into account the nature of these smaller units as well as how they productively (or conversely, less effectively) interact.

In a very real sense, the activity and the institution are each at the service of the other. Activities flourish and are significant in the context of opportunity and control provided by the institution; and institutions may change program or improve condition as particular Activities achieve important facilitating or ultimate outcomes. Thus, it is entirely possible for given Activities (or Activity types) to succeed or fail--that is, to contribute meaningfully to development or not to--in institutions that themselves vary in the quality of their operations or their stability.

The following section treats discrete activities in each of the three basic domains separately. Section C then looks at the development proposition from another viewpoint: how do the institutions as a whole, or through their collection of developmental activities, react to programmatic emphases in the Title III program and how do those emphases and requirements enhance the utility and meaningfulness of Activities in overall institutional development? A final section makes a brief return visit to the three domain dimensions--fiscal, management, and program--that were initially postulated to subsume Title III activity and to operate in a functional interrelationship useful for studying and explaining institutional development--and examines implications for selected Title III operational procedures.

Observations and speculations in this chapter are drawn from all the institutions and Activities reviewed. We again stress that the Activities represent but a fraction of externally funded Activities in the sample over the past 5 or 6 years, and that the institutions are representative of those most heavily funded. Thus, although there are lessons to be learned and applications to be suggested, it is not possible to generalize this analysis

B. The Functioning of Activities by Domain: Positive and Negative Impacts

1. Administration and Management Needs and Impact of External Support

There is probably no finding in this study that stands out so clearly as the centrality of the institution's president to institutional vitality and development. It generally appears to be the chief administrative officer who has turned the institution around, or who has permitted it to languish by doing nothing or attending to the mountains of busy work that are always there; who has looked among competing needs and vested interests, and made decisions, some tough or hard, on the basis of the long-term institutional good, or who has hoped the problem will resolve itself and go away; who has become personally involved in the various ways to enhance revenue, or who has left this largely to others; who instills enthusiasm and pride of accomplishment in faculty and staff, or who wonders what to do about lethargy and impoverishment of mind and spirit; who has vision with regard to consequences of his actions, or who finds too many surprises; who is planful, and knows how to set the planning activities in motion, or who never has time to plan because of the need to attend to crises.

Yet, the effective president seemed in no case to be a creation or function of externally supported development activity, but a product either of the situation--e.g., the clarity of problems that plagued his predecessor and led to his demise--or of the particular values and leadership qualities and management skills he brought to the job.

The nature of the developmental activities reviewed in the administration and management area--involving for the most part the generation of useful data on functioning and condition--suggests that the prime Title III program strategy is predicated on the notion that timely awareness of relevant factual data is what the president (and his administrative support) needs to know to produce "informed" decisions, establish priorities, etc., and thus become a more effective administrator. Yet, where these developmental activities were working well, these functions were directed mostly to maintenance of the consumers in the system rather than to prompt particular action by the president (which, of course, may be as it should be). Developmental monies serve to modernize and expand data systems, and to expedite reporting, or to permit something called planning variously to take place; yet, even where the software was installed and working well, it was too frequently more a matter for the president of show and tell than of know and act--even in some of the most

effectively developing institutions. The presidents, after all, predated in most cases the new systems; many had survived without them because of intuitive talents and broader perspectives, which continue to serve them.

This highlights a risk for the external development agent (such as Title III management or a foundation): it is both easier and more appropriate to prescribe the elements needed and hope they instruct through their provision, than to dictate the decision processes or to define good management more directly. The user of data needs first a personal interest in its potential; he must ask the questions, if the answers are to make much difference; and, the external agent cannot prescribe specifics with assured effectiveness. In the input-process-context-output model, the context is a given, the desired output can be prescribed, the input can be highlighted, but the process must be left to the processor. And, it was differences in administrative style and process that constantly jumped out as the most plausible explanation of positively developing status.

If these observations are essentially correct--if the president is the key to the main entrance, and it is difficult to change the lock from the outside--with what are we left? One alternative would seem to be to base award on the judgment that the recipient is already a winner, a gardener who knows how to garden and has his own soil, and only needs to be provided with the seed and fertilizer and, of course, prayers for rain which may or may not come in a given season.

The perspectives are a little more positive if one looks at the solutions and works backward to determine what problems were eased. Most of the institutions, with the exception of the larger public colleges and universities, were lagging substantially 5 or 10 years ago in both employment of modern information systems or any application of long-range planning. The business manager who knew how to squeeze a budget, to assemble the most critical summary data by clerical methods, was a priceless asset that many institutions had acquired. In the area of Title III sponsored information systems, some institutions continue to flounder after a decade of various effort, while others have moved quickly and comfortably into the mechanization and extension of their records and internal reporting systems. This move was more frequently impacted on inter-staff functions--e.g., admissions data flowing more smoothly to the financial aid office. But Title III has involved new equipment and has provided some new (or retrained) staff. Although progress seems to have been

more substantial in clean sweep and new approach circumstances than in simple training and upgrading of existing staff, most of the institutions involved in information system development have available now better operating information or students records, registration and class scheduling, payroll and purchasing, and the like. And, though the original appeal was cost-savings through efficiency, most institutional observers state that the incentive now is not cost savings but the finding that the additional production possible has new value difficult to give up. The facilitation, where it is working, has become an essential; costs for upgrading or expanding equipment, once the basic commitment is made, are met ultimately in one way or another.

The institutional research area appears to be more dispensable. Where institutional research directors report directly to the president, and operate clearly in a staff rather than a line position, their functions tend to survive after the developmental period; where they construct their agendas from standard instrumentation or the questions they feel are reasonable to ask, they have more trouble getting others to listen and act. They may be displaced by the availability of a good MIS, unless they thrive on it as well or better than its operators. This again underscores a basic finding: administrative facilitations of the kind typically supported by soft monies from outside for that purpose tend to work to the extent that the data users recognized the need for the data and took an active part in the specifications for schedule and output.

The development of an administrative structure for a major new programmatic venture--a college within a college, or a student exchange program, for example--was found in several instances to turn around or revitalize an institution. Planning for large programmatic units to develop a distinctly new function (e.g., a two-year college as an adjunct to the regular four-year program) generally developed as part of the ongoing administrative process, and was not supported significantly by soft money, suggesting that such development is a normal administrative function and that any assistance could, under Title III regulations, be interpreted as surplanting. But, there may be institutions that would fare better with major changes in program and mission.

All of this suggests that if management and administration, so critical as the determiner and controller of development, is to be facilitated by soft money activity, a new look at the needs and at mechanisms and strategies may be in order. Our successful presidents seemed to learn more from one another than from special consultants, for example; in other instances, a wise and

trusted assistant continually alerted the president to the shots he needed to call, or called them for him. In still other cases, the most critical top administrative responsibilities were happily divided between two people--e.g., a president and a provost, a board chairman and a president, a president for the road work and an administrative or executive vice president to mind the campus. These observations suggest that while it is was easy for Title III program management to spot horse and buggy operations and get acceptance of the offer of a more modern conveyance, real developmental assistance for those who need it most may come only from more attention to the administrative process, as through special workshops or practicums led by successful peers, from the placement of a more experienced administrative aide as cohort and advisor to the President for a year or two. (It was noted, however, that left to their own devices, weak presidents tended to surround themselves with weak aides.) And, also implicit in our observations: while the institution with visible developmental momentum, as attested by enrollment or unrestricted current fund balance, may be better trusted to decide what additional support it could use, those floundering may require competent outside management study and needs assessment if any deliberate improvement is to be made in the overall management of the institution.

2. Fiscal Needs and the Impact of External Support

Most externally-funded fiscal activities have their natural origin in an institution's desire to address fiscal problems or opportunities. Administrative and program activities are usually motivated by intentions with less direct or immediate fiscal significance. As investments, however, all activities have some potential fiscal impact.

The apparent fiscal impact of external support on developing institutions in the study sample was, in part, dependent on the broader setting in which the funded activities took place. For institutions characterized by overall positive development, externally-funded development activities played an important, but controlled, role. The strong institutions generally ranged moderately above the sample median in use of both Title III and government grants and contracts in general. For these institutions, as noted in Chapter IV, soft money was an important component of a balanced revenue strategy and was understood as such by institutional management.

By contrast, institutions that were ranked as vulnerable tended to be much more heavily dependent on soft money in general (averaging a proportion

75 percent over the full sample median) and Title III in particular (150 percent over the full sample median). Very high dependence on soft money thus was found to correlate with fiscal weakness. In such cases, this resource could only constitute a survival strategy more than a development strategy. In one extreme case, for example, a seriously vulnerable institution obtained 62 percent of its current revenue from soft money and 18 percent from Title III alone. Without these resources, the institution had no fiscal viability; with them, it simply managed to pay some of its bills for another year.

Institutional development activities influence both the revenue and the expense sides of an institution's financial statement.

Revenue implications include such aspects as the enrollment potential of new programs, improved collections of student payables, enhanced capability to obtain and administer grants, and enhanced fund raising. Each of these impacts was noted among the sample institutions.

Expenditure implications include the matching and/or recurrent costs of new programs initiated with external funding. The most significant of these costs among sample institutions resulted from staff additions and the continuation of new staff after the expiration of external support.

Stronger institutions seemed to weigh these revenue and cost implications as part of the planning process that led to new activities. That is, regardless of the potential programmatic merit of an activity under consideration, a careful and hard-nosed look at the financial implications was an integral part of the decision process in stronger institutions. Outgrowths of this process included beginning the incorporation of the activity into regular budgets and procedures prior to the expiration of funding. The vulnerable institutions tended to leave continuation of new activities to chance. A key indicator in this regard is the ability of an institution to retain key staff originally hired with soft money.

Another characteristic of development at the stronger institutions was the ability to innovate without losing sight of the institution's mission. These schools learned to be entrepreneurial and market oriented without losing sight of their distinctiveness of purpose or their unique strengths. One private institution, for example, is resisting the temptation to compete for the "elite" segment of the student market though it has facilities and credentials that could probably support such an effort. This institution recognizes that such ambition would put it into direct competition with two nearby major

universities where it would be at a competitive disadvantage. By holding to its mission of recruiting students a step below the top, it competes with other area schools against which it can hold its own. Also recognizing its particular denominational links, it heavily recruits in a different geographical region that has a heavy concentration of members of the same denomination. The results have been very positive.

The more vulnerable institutions sometimes seemed guilty of exploiting opportunities for grantsmanship. One commonly observed result was a top heavy administrative and program management structure that imposed a serious financial burden when external funding receded. The strong institutions, though generally larger, had leaner administrative staffs in most instances.

The balance between mission and entrepreneurship was described in Chapter IV as intelligent risk taking. Effective fiscal management distinguishes good risks from bad before making program commitments. To do this requires good information that permits accurate forecasting of the potential fiscal implications of decisions and an awareness of factors in the institutional environment that may shelter or exacerbate the fiscal risk of new ventures.

As noted in Chapter VII, stronger institutions use external funding to enhance fiscal development and other activities that are well grounded in existing institutional functions and plans. In weaker institutions, activities designed to strengthen fiscal or administrative management also can make contributions but often with less immediate impact and far less ongoing benefit after expiration of soft money. In other words, while isolated examples of successfully externally-funded activities can be found in almost any setting, the general impact of such activities is higher (or, perhaps, more obvious) at institutions enjoying superior administrative, fiscal, and program management.

In this connection, there is evidence that institutions using soft money first to build administrative and fiscal management strengths and then to fund program development tended to emerge <u>fiscally</u> stronger than those that invested in program first and management later. This leads to the supposition that institutions that build management depth are able to make better decisions about the <u>fiscal</u> implications of program investments. Investments in faculty upgrading, for example, had little apparent effect on enrollment trends at sample institutions. This does not mean the investments should not have been made but it does mean that they should not have been made for fiscal reasons.

The importance of this distinction is that "development" cannot be equated with fiscal strengthening. Some development may entail a tradeoff between fiscal strength and some program objectives as, for example, when a current balance surplus is invested in a high cost fine-arts program. The critical factor is a clear understanding of the objectives of an activity and whether achievement of the objectives justifies both actual and opportunity costs of the investment required.

In cases where Title III seems to serve as little more than an operational subsidy, the long run impact is usually doubtful and probably even deleterious. But subsidies may be valid and even essential to institutions providing programs in expensive areas such as computer technology and health. Whether Title III should be the vehicle for this is arguable but, in fact, it is the vehicle in several cases. The critical factor again is planning. Does the institution have a serious and workable long-range plan to fund the implementation phase of activities another way? This does not necessarily mean internal funding if an appropriate external replacement for developmental Title III money can be identified. Self-sufficiency is enhanced by control over and predictability of resources from whatever source.

Since the level of appropriations to public institutions is generally keyed to fiscal need, one effect is to lessen differentiation (on our fiscal indicators) among these institutions by comparison to private colleges. Public jurisdictions tend to bail out schools on the fiscal critical list, or require and impose particular expenditure restrictions. Fiscally strong public colleges try to hide fiscal cushions lest public assistance be reduced. In general, the fiscal impacts of externally-funded activities (whether positive or negative) are less visible in public institutions than in private. This does not negate the significance of the issues discussed above for the actual impact of such support at the public institutions.

3. Program Development Needs and Impact of External Support

The impact of program development activities on institutional development has been far more positive than negative, for the grand group of 63 such activities reviewed in this study, accepting the criteria of effectiveness presented in Chapter VI. By extension, the impact of external support has also been far more positive than negative since all activities had external support from one or more sources (for 2 to 13 years). In addition, many respondents indicated that they could not and would not have initiated specific

activities without Title III and other assistance while others noted that their institutions would likely have proceeded--but more slowly and less comprehensively, and with a presumed dilution of actual and potential impact.

Put another way, the broad conclusion stated above is that external support has certainly had profound and positive effects on the program needs perceived by the institutions themselves. One might make the judgment that investment of internal and external resources has sometimes been ill-advised (as in the case of new program ventures initiated and then abandoned, discussed in Chapter VII), or that risks have been and are still being taken with particular program efforts, or that some developmental activities--e.g., curriculum reviews and comprehensive student counseling--do not improve fiscal condition in any demonstrable way and certainly not in the short run. Yet all these program types represent needs or priorities as stated from time to time by institutional personnel and as justified in proposals or applications for assistance.

In a few instances, such needs were expressed in terms of their dollar or enrollment implications with an expectation of direct impact on condition (notably new and upgraded offerings). But in the great majority of cases need or priority was expressed in non-fiscal terms or indirectly in terms of retention. Most needs were stated as the need "to serve the low-income students we now have," "to offer new career-related options," "to attract better faculty," "to increase educational opportunity," "to enhance institution image," "to take advantage of an irresistible opportunity," "to reduce attrition by offering counseling or career services or basic skills," or "to improve faculty and/or instructional methodology." Program activities, in other words, were seldom described as intended to make money directly and virtually never intended to save money. Though they may lead ultimately to bottom line goals, the immediate needs were of a different sort, aimed generally at changes in structure or function and thus only indirectly at fiscal condition. There are a few exceptions to this generalization, to be sure, where external resources (Title III and foundations) appeared to be employed for purposes other than development *per se* and where the need was more nearly for operational funds for maintenance of faculty, staff, or facilities. Yet even where this appeared to be so, rationales for needed services or programs were apparently convincing enough to obtain external support, particularly for various sorts of student services.

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Several negative effects of program development--not of external assistance per se--were reported, more frequently as concerns in the near future than as problems already demonstrated. These included: difficulty in paying competitive salaries to staff new (specialized) program thrusts, expenses of facilities upkeep, maintenance of "enough" staff for basic skills and student services as a larger proportion of students is underprepared and/or of low-income status, and temporary enrollment drops or even "overenrollments" by students not suited to the academic rigors of given programs. In the best of situations it "costs" something to maintain changes once they've been instituted and have become valued. The new image (in some cases real distinctiveness) so eagerly sought as a product of development and change requires somewhat more expensive burnishing. This is a truism equally applicable to facilities (a new library, a performance hall, computer laboratories) and developmental activities other than those in the program domain--and seems to be a necessary risk in any endeavor where competition is involved.

In sum, the program activities under review addressed needs perceived by the institution (usually 4 or 5 years ago but as long ago as 15 years). There were a few cases of going for available funds or shooting in the dark, but the great majority appeared to be well-conceived responses to the need to attract and retain students, to develop a higher quality program and faculty, or to provide academic/technical and student service options now recognized as integral parts of the postsecondary scene. Sometimes the need was directly fiscal, as in wanting to "save a department" or create a new program that would "really" draw students, but far more frequently the need was put in instrumental terms related to program quality or to student needs.

These observations imply a broader issue: how much can a single developmental activity accomplish? How "big" should a program activity be in order to have salubrious effects? Except for truly unusual circumstances of serendipity or vision, can program activities reasonably have or be expected to have direct effects on institutional condition?

The answer suggested by the present study is that program activities of the sort funded may be intended (by definition, by common experience) to assist the process of change (or simply be a part of it) and thereby contribute indirectly to condition. Such activities may reasonably be expected to accomplish instrumental rather than ultimate goals, and where they have set out to "save a department" or increase enrollment, they either have not done so yet

or are not suited to the kind of record keeping that would prove out such impacts. Where they have set out to reduce attrition, they have often resulted in making students happier but have not been able to attack fundamental causes and thus they give scant evidence of having improved retention. Where they have set out to build new appeal or enhance institutional image, they have often run into additional expense and thus represent risks (calculated or not). In a very real sense, these program-change and program-addition activities are not unlike some of the efforts to "save" public school education these days: individual programmatic or staffing changes, though valuable in themselves, do not, and in all likelihood cannot, solve fundamental and interlocking social and economic issues that continue to plague us--nor should they be expected to. This may suggest a need for greater realism on the part of Title III policy, development, and program staff. A program activity, in and of itself, can hardly save the college.

It is only fair to note that there are, however, exceptions. One institution undertook development of two dramatically different and risky program thrusts (not formally reviewed in this study but a subject of some discussion) that appear to have made a turnaround in image, enrollment, and fiscal condition for the institution. Another created a series of evening-only degree options (one had been identified for review) that together appear to have had the same overall effect. Yet another grasped at an opportunity to change major direction for the whole college, has the program in place, and is waiting for similar fundamental outcomes.

There is another way of looking at the issue of developmental activity value. Particularly for student services, basic skills, and instructional enhancement activities, it has been noted that their presence was valued without demonstration of positive effects on condition. But it may be surmised that their absence would have deleterious effects, principally higher attrition rates than those now reported for freshmen (who are so often underprepared, first generation collegians, lacking career goals, and so on). Those services and academic supports provide structured ways of helping to save students, just as often valued because of the personal-social contacts involved as the strictly academic assistance aspects. One president was convinced that comprehensive counseling and career services were attracting students to the campus; no one else at any level thought so. But just let that institution try abol-

rise dramatically, given the current populations. The president may intuitively understand this but jumps to the more "positive" view in support of those varied services now offered as part of the institutional framework. Personnel at another institution, one with an outstanding Learning Resources Center that is central to mission, said in effect, "If we did not have our LRC, we'd be in real trouble here, losing students and credibility."

One further point regarding developmental activity value is negative in the sense that a number of institutions have appeared to miss potential additional values because of overexpectation of a given activity, an assumption of automatic carryover and transfer, or lack of vision. To take advantage of what a particular activity has done or can spur would seem to be the institution's responsibility rather than a function of the activity itself--especially in cases of non-continuing temporal activities intended to leave important residues. To the extent that external funds are involved and are presumably provided in response to a good plan, the point here is that wherever there is potential for further application of a funded activity a plan for same should be required as an underlying feature from the outset. It comes down to use, possible misuse, or simply no use of structure and function benefits inherent in the original activity. Examples abound (although there is no intent here to demean the outcomes reported and valued for the activity itself). Two activities that focused on faculty development through minigrants reveal some lack of institutional planning and supervision, in that the processes involved have not been carried over to other faculty, departments, or purposes; and in one case, the minigrants were so scattered into individual situations that there was no attempt to make the activity as a whole work for the institution as a whole during the funded period (although there was clear need and opportunity for this). Two other minigrant activities were carried over in a useful manner, offering a sufficient contrast to the two referred to above.

Mention of three additional cases should help to make this point. At one institution where a professional school had worked marvels in its own quality, enrollment, and image, the president and other top officials were clearly not inclined to apply the lessons and efficiencies learned to another school in need of upgrading or to a well-run internal process that could be responsive to need from courses to majors to departments. A Learning Resource Center at another institution, in contrast to other LRCs, was conceived and operated in such a way that faculty were almost encouraged (by default) not to use it, its

resources, its services, and thus to abjure it. They did. It was not treated as an institutional resource, but more as a limited service for freshmen. And finally, one of the competency-based curriculum activities--reasonably effective as far as it went--did not go far, was not extended to appropriate courses and majors, was not given a total institutional commitment. These are all lost opportunities and they beg the question whether in some cases the institutions might request assistance again, for a new venture, only to reinvent the wheel.

These kinds of institution-wide missed opportunities notwithstanding, overall it seems quite clear that external funding has assisted institutions to carry out a wide variety of useful and provocative developmental activities aimed at improving (strengthening) the academic, technical, and student service programs. The activity may sometimes be too "small," or too large and unfocused, to accomplish many useful outcomes, but on the whole this sample of funded program activities shows how possible it is to affect structure and function in instrumental ways that have important implications for institutional condition. As noted, many of these outcomes were intended for and later reflected actual changes in organization, offerings, requirements, faculty qualifications, instructional practice, and so on, with hints of changes in attraction of low-income or minority students, general retention, and appropriate placement after completion of career/professional programs. Developmental activities can also spur such byproducts as positive faculty and student morale, professionalism, respect for the planning process and for accountability, novel solutions, and spinoffs and continuations that allow byproducts to flourish.

In connection with this range of outcomes, this study reveals qualitative differences among effects for the four different types of program activities. The data suggest a hierarchy with new programs/majors at the top, followed by upgraded programs, enhancements to instruction, and support services--in which outcomes of an ultimate sort (i.e., on institutional condition) are reported most frequently at the top and less so down the scale. The same is true for broad instrumental impacts (such as capabilities for accomplishing positive changes in condition, general efficiencies, reorganization, potential for enrollment, etc.). Conversely--but not to the same extent--more "general value" outcomes and byproducts occur in the lower two types (instructional

majors. This observation is not intended to impute higher value to one kind of effect over another, but rather to suggest that external investment may have different sorts of effects depending on the nature of the program activity supported. It is worth noting, too, that Title III supports all the program types discussed here almost by definition, while foundations and business are more responsive to requests for support of new and upgraded programs and--in this sample--not at all inclined to assist with student support services.

It should be reiterated that most of the effective program activities (new and upgraded) and many of the instructional-student services activities carried a burden for enhancement of mission and subsequently attained outcomes that spoke to such enhancement. Mission, in the broadest sense, _is_ the institution and enhancement of mission comes chiefly through changes in program (as opposed to fiscal or administrative structures and functions). Thus by extension, mission represents a fundamental need as well as the aspirations of higher education institutions, and it is both created and reflected by the program in a constantly changing interaction. From this point of view, external support has contributed greatly to these institutions by responding to program as mission-related needs. More than that, external assistance has been given to a wide array of program types--and within those types to almost every conceivable aspect of personnel and matériel.

A final way of assessing the impact of external support on institutional development is to examine how--and what--institutions carry on beyond the period of external support. The status of activities in current and future plans is also an indication of the meaningfulness of these activities to the institution as a whole. We recognize that decisions as to continuation (in whole or in part) or abandonment surely relate to the availability of institutional or other funds, and to evidence of outcomes of broad importance as much as to the existence of "valued" or potential consequences, residuals, and byproducts--as well as to internal politics. Key factors at the administration level drive such decisions. Perhaps the fundamental question is one of commitment as well as of valuing: what will the institution do to retain program functions begun with risk capital from the outside?

In examining this question across program activities, certain limitations are noted. First, a significant number of activities were still being developed and assisted externally during the 1982-83 academic year; thus, no decision

although many institutions were candid about their plans and expectations. Second, of the activities absorbed by the institution budget already, a sizable majority had had that status for one year or less (that is, for the 1982-83 year); thus, the commitment for continuation had been tested for a very short period, though in some cases with a budget allocation set for the subsequent year. Third, for a few activities continuation per se was not even a question; they had been intended as temporary efforts at strengthening, with important residues expected. Fourth, in most cases, dollar allocations (size of expenditure, and commitment) were not available or were approximated in terms of faculty/staff positions. Table VIII.1 displays the continuation data for all 63 program activities, taking these limitations into account.

A total of 27 activities continued with external assistance in 1982-83. This includes cases of second or third year funding in a Title III award; sole funding by non-Title III sources; specific foundation support in 1982-83 after the expiration of Title III award; and 80 percent or more funding by the institution but some reliance on outside sources. These still-developing activities (as defined by continuing external funds, including basic skills programs with 5 or more years' history) divided about evenly between those whose post-support future was unknown or virtually guaranteed and those for which sharp reductions or even abandonment were predicted by respondents.

As noted in Table VIII.1, 3 activities have been dropped, and a total of 29 have been institutionalized (that is, absorbed into the ongoing budget). Of the latter group, about 60 percent have been fully assumed while the remainder have been institutionalized but reduced in scope (from "slightly" to "greatly," principally in terms of faculty or staff positions and principally because of presidential skepticism, making those with sharp reductions candidates for abandonment). As noted, it is difficult to estimate what full or partial absorption means in allocation terms, but a few annual figures were available, ranging from a $5,000 item for faculty workshops on instructional design to $150,000 for full operation of an extensive LRC. Across the 29 continuations, 6 have been absorbed for 2 or more years. Of the 23 with but a one-year assumption, reports suggest that continuation in 1983-84 is quite certain for 20; but with only a one-year period of institutionalization thus far, any firm generalization about continuation is moot.

Data in Table VIII.1 show entries for all 4 program types for "still on external funding," as well as "institutionalized 1982-83 or earlier"; the

Table VIII.1

Continuation and Absorption of 63 Program Activities, by Rating Category

N Activities		On Some Level of External Funding 82-83: Future Unknown or "Guaranteed"	On Some Level of External Funding 82-83: Future Highly Uncertain or Cuts Expected	Activity Dropped	Institutionalized 1982-83 or Earlier: Fully	Institutionalized 1982-83 or Earlier: Reduced	N/A
1. New Programs/Majors							
Strong	6	3			3		
Neutral	2					2	
Weak	2		1			1	
2. Program Upgrades							
Strong	6	1			3	2	
Neutral	4	1			2	1	
Weak	2		2				
3. Instructional							
Strong	7		1		3		3
Neutral	5	2	1	1	1		
Weak	4		1			2	1
4. Support Services							
Strong	12	4	2		6		
Neutral	9	2	4			3	
Weak	4	1	1	2			
5. All Activities							
Strong	31	8	3		15	2	3
Neutral	20	5	5	1	3	6	
Weak	12	1	5	2		3	1
TOTALS	63	14	13	3	18	11	4

Dropped and Not-Applicable categories apply to 2 of the 4 types of activities. When those findings are examined in terms of strong, neutral, and weak activity ratings, there remains a spread across the 4 program types but a quite clear overall pattern in favor of effective activities so far as institutionalization is concerned. Reference to row 5 (all activities) reveals that over half the strong activities (17 of 31) have been absorbed--most all fully--about half the neutral (9 of 20), and one-fourth of the weak. Most of the neutral continuations, and all the weak ones, have been assumed into budget with reductions.

Thus, overall, there is a strong tendency for continuation to vary with activity rating; continuation was, indeed, built into the rating criteria. In that effective ratings tend also to vary with broad program rating at the institution level, it may be surmised that some more substantive underlying factor is at work. Strong-program institutions initiate and get support for developmental activities that they then promote into successful or effective outcomes which are sufficiently valued to merit continued support and operation.

C. <u>Title III Programmatic Emphases and Developmental Impact</u>

1. <u>The Basic Questions Specific to Title III Support</u>

Although our study was concerned with institutional development as a function of what was done with <u>any</u> soft-money contribution for that purpose, there was a special interest in the Title III investments. The Title III program carries its particular terms and conditions; these were summarized in Chapter I. Most are experience-based at this point in program history, and are carefully calculated to enhance the efficiencies of the dollars invested (or sometimes, to prevent abuses or apparent extravagances).

The preceding section has examined impact at the activity level. It is now appropriate for us to ask at the institutional level: (1) What are the general characteristics of the institutions that <u>appear</u> to be making effective use of Title III funds consonant with Program intent? (2) What is the experience and posture of these institutions with regard to Program regulations and requirements in general, and have any requirements had detrimental impact? (3) What implications were found with regard to the current salient issues for Program management?

2. <u>Characteristics of Institutions Making Successful Use of Title III Funds</u>

We must first state that, according to the great majority of the institutions contacted, Title III funds are believed to have substantially

improved the quality of educational opportunities they provide to young people, have contributed to the legitimacy of institutional mission, and have generally accelerated institutional development in critically important ways. The institutions of concern are probably today not so much distinguished by "isolation from the mainstream" as they are by more down-to-earth simple or austere conditions. By the definition provided by the Title III eligibility criteria emphasizing high proportions of students with financial need, they are dealing, first of all, with young people who require special attention and effort to catch up with levels of achievement in other colleges. Similarly, by definition the institutions have, in most instances, more limited resources to invest, as a function of the per-student educational and general expense component of the eligibility requirement. Although some activities failed to achieve valuable goals related to one or another of these two circumstances (improved quality of offerings for the target population, or potential for improving the revenue/expenditure situation) and though there were some false starts and floundering because an activity was ill-advised or required more than the institution could handle well, we found relatively few abject failures or instances where success in one realm was offset by deleterious and enduring consequences in another, or where there were feelings that in the long haul the institution had been led by Title III down the primrose path to the briar patch. Yet, some institutions and some Activities stood out as clearly successful, and most institutions could demonstrate some real accomplishments consonant with Title III intent.

It is appropriate to comment at this point about the range of readiness for development that was observed. Most institutions were changing programmatic emphases to try to keep pace with student markets. But, some were approaching this matter systematically, with prior views drawn from perceptions of current societal needs or formal study of trends, while others were more haphazard, with tendencies to proliferate their offerings. As noted elsewhere, the public institutions had assistance from their governing boards and state budgetary authority that made them safer in regard to continuance (if less exciting in regard to new ventures, particularly of a high risk, high-payoff-if-right situation). Some were struggling with urgent building or deferred maintenance needs (or costly and inefficient plants), while others (and more frequently the public institutions) were holding an edge with comfortable and adequate facilities. Some boards were remnants of an earlier

period, and, causing no trouble, may have carried with them pressures to be kept that way; others were on top of institutional mission and condition, and giving active leadership and support. A few institutions were still struggling to achieve adequate accounting systems (at least one president of one of the larger institutions was concerned that monies encumbered by Title III grants over several years had indeed been spent but not properly accounted for toward reimbursement). And, of course, the levels of sophistication as to how to choose among priorities, delegate management, or monitor performance varied considerably.

It became increasingly apparent to us as we proceeded from campus to campus that some institutions would have difficulty making a bad investment, because of good perception of needs and general good organization and management; these institutions seemed invariably a step ahead of Title III Program staff and application reviewers in assigning priorities and formulating strategies. Others, however, were handicapped by provincialism, distracted by symptoms of problems to the extent that causes were obscure (or flat-out incorrectly ascribed): these were the campuses that would try anything for which support might be offered, yet frequently not have (or be able to find or recognize when they had found) the staff appropriate for taking on the task, or know what to do with what they achieved other than beg for money for its continuance.

The dilemma for Program management is obvious: The most efficient (not necessarily the best) use of Title III monies will be made by institutions that know something about development, and that have their basic act together; that can identify valuable adjuncts they have not been able to afford; that have their priorities well-established, and their needs clearly structured not only in terms of the potential impacts of new activities but also in terms of the larger consequences for the institution. These are the institutions where specification of mission, and long-range planning, have been careful and serious efforts, not vacuous exercises merely to comply with Title III requirements. These institutions may be identified by evidences everywhere that the president is active, in control, and respected; that enrollment is stable or increasing; that the faculty is stable, and distributed relatively evenly in terms of student population in the programs; that academic and support programs reflect the institutional mission, and are not proliferated; that there have been other recent development attempts that have obviously succeeded; that

operating deficits are being reduced or that surpluses are being acquired; that the institution is attractive to other soft-money investors; that costs after development, if any, are known, and that there is a reasonable strategy for the support of these costs.

The fact that institutions varied considerably in their ability to profit from given developmental activities was first signaled to us by developmental activities in some institutions floundering or requiring more time than similar activities in other institutions, to reach effective operation. Some vulnerable institutions had achieved the intended product but either didn't know what to do with it or found it in disuse--in one case, to the point that the computer terminal received two months earlier hadn't yet been unpacked, and its particular capabilities were yet unknown by its recipient. In another institution, a computer-assisted instruction capability of show-piece quality was actively boycotted by the faculty for whom it was intended. These were the institutions where site visitors had questions about the president's ability to rise to the challenges, that were sustaining enrollment declines, that were spending beyond their means, that were unable to neutralize negative contextual factors such as lower priced competition, that had departments with seriously declining enrollment still in place, and that had difficulty getting their fiscal accounting procedures in order.

Yet, the distinctive purpose of Title III seems to have been, from the beginning, the transformation of vulnerable institutions into strong institutions. In this sense, the focus in the current study on success--of developmental activity or of institution--is more appropriate as an identifier of forces that can be set in motion from the outside that lead to improvement, than as an identifier of the best investment risks. Yet, eligible institutions exist in a range of developmental status, with some ready to take off and others--the most difficult prospects--needing special attention.

The differential stage of readiness for development seems to have been recognized by Title III Program management--perhaps most visibly in the early years of the 1970 decade through the Basic vs. the Advanced Institutional Development Programs, but currently through a hierarchy of planning grants, the developing vs. the special needs program, and the challenge grants for the confident pros. Yet, institutions chose to apply under AIDP or BIDP (or now choose to apply under Part A or Part B) for reasons largely unassociated with stage of readiness, and on the diverse campuses observed, no distinct differences

appeared in the kinds of funded developmental activities as a function of the institution's developmental stage. And, it also should be noted that similar activities under Parts A and B of the new legislation means that the labels ("developing"; "special needs") are more likely different than are the actual programs, though the option may exist, through regulatory change, to make the two parts more distinctive.

There was, however, a pervasive conviction in the field--and this was particularly true for the "successful" institutions or activities--that the Federal and other soft money investments had accelerated the accomplishment of goals that would have ultimately been achieved in any event, rather than had been the difference between progress vs. no progress, which was more charac-teristics of the less successful institution. This no doubt was associated with the finding that successful activities were those with some advocates and planning in place prior to their outline in the Title III application, and thus carried some pre-grant momentum, as well as with the finding that other sources of developmental support--some hard, some soft--were typically associated with the more impressive successes--not, we felt, because of additional needed dollars, but rather from signaling that the developmental priority was real (as opposed to an opportunistic attempt to fit some money to the idea behind it whether that idea made sense or not).

We should note, with particular regard to the institutions clearly successful in using Title III funds, the frequent comment that Title III had come at precisely the right time in the institution's history. Frequently, these were institutions entering the Program in the mid or late 1970's, and exiting because of loss of eligibility in 1982; they also seemed to be those institutions where other turnarounds had begun, such as that from a new president in place, or where a new student market was beginning to emerge, or where a cut-back and reorganization of administration and academic program to meet financial crises had clearly taken place. That development was indeed accelerated in these instances validates for us the Title III investment for these institutions, even though those with dramatic turnarounds were prompted by events outside of Title III. For those building on prior successes, like the turnaround institutions, Title III probably provided an accelerating rather than a causative influence.

We were impressed with how many of the successful institutions had concerned themselves, as early as the mid-70's, and in spite of the tradition

then of continuing support, with realistic concerns about the ephemereal nature of Federal funding, and the ways that activity taken on could be moved to more regular support when the developmental largess no longer existed. The presidents of these institutions were concerned, at the outset, with the salary burden of staff utilized, and either planned from the beginning and provided for their easy movement out when their particular function was served, or for their coverage through other sources. Some presidents expressed particular preference, in budgeting, for the use of funds to purchase something of lasting value (such as equipment or instructional resources) as opposed to something requiring continuing support. Though we were dealing with a sample of the larger beneficiaries of Title III, both in terms of grant longevity and dollar amount, the support was not so opulent that many frills or high risk ventures could be or were accomodated. The notable exceptions were those institutions where Title III funds were sufficiently significant, in dollar amount, that the institution could only suffer substantial reductions in staff or other expenditures if Title III support were withdrawn--or, put another way, would find necessary operational aspects suffering (though most activities could indeed be termed developmental in the strictest Title III sense, they generated usable management data, or provided needed portions of salaries for faculty or staff who performed other essential maintenance functions). It is only fair to comment at this point, too, that though some presidents at successful or stable institutions saw Federal subsidy for development a longer-term need than the current emphasis on graduation from grant support would permit, even these were reacting to this emphasis with an accelerated institionalization of current Title III activity. Yet, at the same time, many Title III coordinators and presidents were confidently assuming that when the current "terminal" grant ran out, it could be renewed, as it had so many times in the past. The current activities might graduate; the institution would still have other developmental needs.

On the negative side: the vulnerable institutions did not trouble themselves with realistic plans to assume operating costs; here, the expectancy of continuance appeared to be an active inhibitor of development. This expectation of continuance, for the strong or vulnerable institutions, is surely rooted in prior "threats" of limitations on duration of support that did not materialize, and on the inevitable efficacy of political factors. The matter is further complicated by several other unmistakable factors: (1) the contri-

bution of a given activity to institutional viability and self-sufficiency can seldom be very clear; (2) some activities (with student support services a notable example) have greater potential in the operational phase for generating costs than for generating cost savings or revenue; and (3) reasonable times for effective development and installation of different kinds of activity are largely unknown. The latter factor is of particular current import: inadequate time may be allowed in some instances for a good activity to get off the ground; and, by the same token, some activities, with name changes or new facets purportedly needing attention, may be continuing without reasonable accomplishment to date or prospectively. An urgent need for more effective monitoring and award decisions would seem to be some experience-based specification of reasonable time both for an activity to bear fruit, and for an institution to achieve viability--or some formal criteria for assessing developmental progress. Some of our institutions were in worse shape in 1982 than in 1975.

Another significant and positive observation over the 4-year institutions, public or private, as a group: with the exception of two or three that saw some opportunity to become more selective and elitist in the traditional sense, their genuine concerns for attracting and serving low-income students, and making this a self-supporting proposition, were leading the institutions to look more favorably on formal work in basic skills on the one hand, and on new more pragmatic or career oriented programs on the other. The "new" students, as they were called two decades ago by the traditional colleges, are clearly no longer new (if they ever were) to these institutions. They need remediation, and appear to get it increasingly without stigma; the fact that it is valued enough to win developmental support appeared to add to its being valued in the academic communities involved. These students are also interested in using their educational experience to learn something they can use to support themselves with, rather than merely to obtain a credential. Most of the institutions were augmenting the standard departments with such programs as business, administration of justice, mass media and communications, and the like, with a deemphasis or dropping of older service areas like education, or the sparsely populated traditional academic areas like philosophy. The institutions were more comfortable considering themselves terminal 4-year or 4-year professional schools, as opposed to the earlier liberal education focus which suggested

that quality is synonomous with pre-graduate instruction. Areas such as pre-medicine are still there, but the institutions sense, in the enrollment patterns, the interest of these young people to get an edge on employment and get on with life as a wage earner. As implied, this trend toward more pragmatic and vari[illegible] [illegible]ight of emerging employment tr[illegible]ds is [illegible]ked in both public and private 4-year institutions studied. (Many of the traditionally black institutions have, of course, focused on such fields as education, the ministry, and health services for decades: but, in these instances, the expanding vocational opportunities make some new professional or semi-professional vocations more attractive.) Those institutions finding ways to make such pragmatism respectable (and most are) are not declining in overall enrollment or fiscal position, while those that are troubled by this, or that cling to the stereotypes of a decade or more ago, are more frequently in trouble.

3. Response of the Successful Institutions to Program Requirements and Regulations

Key staff at the successful institutions almost invariably had positive attitudes toward the various Title III program requirements. Rather than see the rules and regulations as bureaucratic restrictions, they tended to interpret them as reasonable requirements for good management, even to the point, say, of adopting the long-range planning mechanism or the milestone specification and attainment review procedures as an enduring function to be followed on its own merits. That is, the successful institutions were not simply trying to keep their face clean for Washington, but for their own internal p[illegible] [illegible]ell. Title III management procedures suggested to them strategies and procedures, sometimes fresh and new, that were applicable to other management challenges as well. This suggests a consequence beyond the developmental impact of the funded activities themselves for the institutions that took seriously their need to develop seriously, as well as forecasts that the good investment is in the institution that will take compliance seriously not just because such is required by the government, but because it makes sense to the institution, too.

This positive regard for the requirements and concern for following them caref[illegible] [illegible]peared to be associated with the president, or in some cases a senior academic officer, having bee[illegible] actively involved in the institution's review of the requirements and regulations, and in the formulation of the application, as well as in assuring the effective monitoring of activity at

home. This individual frequently had had personal contact with one or more of the senior Title III Program staff, and obviously regarded them with respect. It sometimes seemed to be a matter of an interpretation that the requirements protected the institution, after all, from mistakes that could otherwise occur, or simply a posture that in playing any game the rules must be followed vigorously; in some instances, as noted, it seemed to be a matter of recognizing good procedures for more general housekeeping.

The institutions or activities judged as vulnerable were more likely to be critical of one or another requirement, to find ways to stretch interpretations as to allowable expenses or, in some instances, to violate one or another of the requirements--to recruit under the guise of training recruiters, or to use salary funds to cover staff formally outside the activity or to designate equipment acquired for one purpose to another outside the Title III agreement. The clear impression was, however, that it was not the violation of the rules _per se_ that caused the problems so much as it was a matter of poor judgment or management in general, with more pervasive effects from this source than from those accruing from violating or twisting the rules. We did not actively seek to detect violations, nor were they frequently found, and in some instances were violations only in the sense of 1982 interpretations, not those existing when the grant was made.

The institutions judged more successful or strong also seemed to have fewer concerns about delays in funding, probably in part because activities had been structured so that critical personnel were less dependent on affirmation of grant. There seemed to be more frequent concerns (than found among the institutions judged as vulnerable) about any reordering of priorities in award negotiation, which was certainly associated with the greater general sophistication about developmental needs. The strong institutions also seemed a step ahead in actualizing institutionalization, or in being able to continue development if funds were to be cut off and further development still needed. This was a factor, in part, of the use of staff that could assume, in whole or in part, other regular functions, and, in part, a matter of planning with an eye on the time that other support sources would have to take over.

4. Implications of Findings for Program Management on Current Salient Issues

a. Implications with Regard to the Current Basic Program Intent and Emphases

The notion had frequently been expressed privately by various Program staff prior to the 1982 regulations that non-continuation of support would jeopardize some institutions serving poor students, and thus have negative im[illegible] for [illegible]onal opportunity. Influence of this attitude on the funding decision has appar[illegible]een displaced by the new emphases from the Congress and senior program managers that the funds be used to acquire independence from the need for Federal support. As would be apparent from some conclusions in the current study, the new emphasis seemed to further accelerate this notion for institutions judged successful, and frightening only for those still floundering or drawing a significant portion of revenue from Title III.

In this regard, concerns have been expressed by Title III Program management as to the extent that former development activities may have been renamed and continued unduly under some new guise or particular function. Such did not appear as frequently to be the case for activities in the academic program area as in the fiscal and administrative domains: probably at least 80 percent of the program development activities either produced substantial and sustained operational outcomes, or continued with reduced budgets. Some of the remaining 20 percent (abandoned activities) were reconstituted under new leadership with regular support, and most provided useful and assured learning experiences. Program activities, if successful, were also more likely to demonstrate potential for other soft support (as in the case of the Title III-funded media and communications laboratory which could be shown off in an attempt to win operational support on the basis of the developed capability.) The "renaming" situation was more frequently evidenced on MIS development activities; if the activity didn't get off the ground, it appeared fairly easy for the institution to regroup toward new installation strategies, or to build the case for new support on new applications or extensions of the system. And, with fiscal management or funds development activities as well, it appeared easy to prove that development was not complete if the systems were not up and functioning (presenting the troubling prospect that inability to perform could be rewarded by continuing support). We believe that the implications for program management in this regard have to do with more specialized review of

institutional plans and staff capabilities, and more particular emphasis on technical assistance, including special workshops and guidelines as to what constitutes effective consultant or assisting agency help. The difference in progress made in this area is striking, and appears to be based more on initial lack of sophistication than on need for continuing support or failure to follow OSCAR requirements. This naiveté appeared both in terms of hardware/software options as well as in the uses that could be made of the improved systems.

With regard to the general regulation that public institutions clear developmental priorities with state planning authority--and the implied concern that Federal money might conflict with state priorities or serve those lower on the state lists: no instance was found where an institution had moved in a manner clearly contrary to state plans or requirements. This appeared to be not so much a function of the DID requirement for clearance by state authority as it was a function of the saliency of local controls. The local governance authorities in general appear to be well aware of both large and small issues--"large," as in areas for new program development; "small," as in approved salary ranges for various faculty and staff, no matter how supported. Institutional staff not infrequently chaffed under these controls, but seldom if ever tried to bypass them, or succeeded if they did try.

b. <u>Implications for the Notions of Consortia, Assisting Agencies, External Evaluation, and Consulting Assistance</u>

(1) <u>Consortia</u>

Only one strictly consortium activity (involving provisions for students to take courses on affiliated nearby campuses) was examined; this was successful to the extent that it was decidely continuing and expanding, though Title III funds had ceased at the end of FY 81. Thus our experience was limited principally to occasional observations solicited by questions as to benefit from former consortium membership. In most instances, formal consortium activity had ceased, with no great sense of loss, though individual stellar performers from the former member institutions sometimes continued as individual consultants--both for continuing Title III activity and for development responsibilities assumed by the institution. Our feeling in the context of the responses to questions, and the observations, were that most consortia really belonged to no institution in any individual, personal sense, and that the more substantive development had required at-home origin and continued

responsibility there. We note, of course, the significant earlier contributions of such consortia as TACTICS, or the Thirteen College Curriculum effort. Such structured and active efforts may have simply outlived their usefulness, as the institutions begin to move more on their own. Or, it may be that as a function of some significant abuses or errors, the baby was thrown out, by Program management, with the bath water.

(2) Assisting Agencies, External Evaluators, and Consultants

Experience with assisting agencies was decidedly mixed. There were a number of instances where a competent and sensitive agency had provided needed technical assistance efficiently and with good results attested by the progress made by the institution as well as by local perceptions. There were other instances where the work or advice of the agency was thrown out, and the activity started anew, or where authoritative advice and prescription went against the grain of the local power structure. The experience seemed positive more frequently with established firms (such as general accounting or management agencies) or non-profit organizations (such as a component of a regional accrediting agency, or a professional association such as NACUBO), than with small groups specializing solely in Title III activity, though in the latter group there were some remarkable exceptions. In general, most of the institutions visited seemed to have learned, the hard way if necessary, to make better investments in this regard, or to attract the competent individual at the agency into the institutional staff budget, or to dismiss quickly the agent not providing real assistance. The natural tendency of both strong and vulnerable institutions seemed clearly to keep as much of the grant money at home as possible; outside purchases had to pay off.

The effectiveness/ineffectiveness of the external evaluator, and serious attention by the institution to his reports, were less obviously a mixed experience, in that reports provided relatively insignificant information (our judgment). Though some external evaluations--those that contained critical observations directed toward the more secure and confident institutions--were helpful in terms of restructuring, revising strategies, or in alerting the institution to needed facilitations from other sectors, the majority of the reports seemed more to be a political piece, focusing on successes or rationalizations of obvious failures, and so cast as to do the institution no damage if used to support application for continuance. This, of course, appears perfectly plausible, though it is perhaps unfair to some multicampus-wise agents whose verbal advice and selective commendations have served internal

purposes well; but, it was clear that very few of the external evaluators were really external--they were agents of the institution, not of Title III. In general, it was felt that if the matter of external evaluators were left entirely to the institutions, few would be contracted, and that impact on development would be greater if the institutions could be effectively aided in (1) developing in-house evaluation procedures (though most have a long way to go in this regard, if evaluation beyond certification of milestone accomplishment is to be achieved); (2) the current external evaluator were permitted a privileged relationship with the institution; or (3) any evaluation for program management purposes be conducted by program management or its agents.

With regard to individual consultants, excesses were believed to exist only where the institution was unable to recognize that the problems of concern were beyond this kind of transient assistance; in general, consultants appeared to be used well, with a constant eye to their reception and impact as well as to their unique contribution beyond what the campus community could provide. And, as in the case of other outside assistance, the more successful institutions appeared to make better selection and use of consultants than those less successful or at a more rudimentary stage of development.

(c) Implications of Findings with Regard to Equipment Purchase under Title III

As noted elsewhere, there appeared to be a clear preference for equipment purchase over lease arrangements, as a matter of preferring durable goods over those that would last only as long as the grant. There was less sophistication (though it is developing in some quarters) as to speed with which equipment on hand can become overloaded or obsolete.

Also as noted, there was with equipment related activities a remarkable range of what had been accomplished in a given period of time. Not many presidents or purchase approval authorities in these institutions were particularly knowledgeable about differential trade-off options afforded by different equipment, beyond feeling more comfortable with a "name" brand or an effective sales representative--nor were they particularly adept in judging the kind of technical competencies needed for a developmental or operational head for the task in question. Some institutions had made the mistake of selecting and purchasing hardware first, then looking around to find out what they needed to do--something almost surely to be regretted later. Where the technician employed by the institution was competent and dedicated to staff function and

the instruction of laymen, and participated in making the decision on equipment, the institutions seemed to fare better; where presidents or activity directors made systematic review of success experiences at institutions similar in terms of size and desirable products, the choices seemed more effective and sustaining.

Software developed in-house vs. packaged and imported software seemed generally more effective, with some notable exceptions; in either case, the key seemed to be not in-house vs. out-house origin but the competence and energy of the software utilizer, and the degree to which he or she was responsive to real needs of the consumers. There were a number of instances where imported software was discovered not to have the adaptability needed (i.e., it was specific- rather than general-purpose), or it failed to deal with internal constraints such as input procedures. This is no doubt a function of the fact that the institution that could develop software in-house had better technical staff to begin with.

The fact of hardware obsolescence or overload and the need for replacement was a very real factor at many of the institutions. In most instances, other funds had been found in such instances, or the search for money to purchase or lease what was considered to be inevitably necessary was in progress.

5. Some Conclusions with Regard to the Larger Picture

By and large, the institutions reviewed appeared to have made good use of the Title III grant funds, particularly where they were not so excessive as to promote dependency, where the president was personally involved from a perspective of mission and long-term needs, where long-term support consequences were anticipated from the beginning, and where the rules and regulations were followed religiously, whether blindly or with confident reason.

We have addressed in the foregoing subsection the matter of determining reasonable time necessary for developmental activities to bear fruit, either in terms of a good institutional decision to assume further development or operational support, or in terms of having some detectable impact on the bottom lines of enrollment, graduation rates, and fiscal solvency and maintenance. There were few activities observed that could be certified as successful, on the institution's terms, our terms, or Title III intent, after only a year or two of development, or that became operational and clearly

self-supporting in that time. The forces that interact to produce institutional condition are complex, and slow to form detectable synergistic relationships. And, though products of most developmental activities are not new to higher education in general, they are to the institutions in question.

The basic anomaly we feel at this point is the matter of greater impact of Title III in the more advanced institutions, and the greater problems the less advanced institutions face. This is not a matter, we feel, so much of what Title III requirements and procedures may have caused, but of the more difficult proposition of creating institutional development investment strategies that protect and instruct those most in need. The general belief extant in the field that most of the institutions appear to have come a long way since 1966 is probably valid, and though it would be difficult to determine what Title III experience over time vs. other factors have contributed, it behooves the investigators and Title III management to be particularly alert to what the more vulnerable institutions need to move ahead more quickly, and to flounder less as they grow. If our understanding of the law is correct, these institutions are the real targets. The trick may be to find some way to require and monitor developmental progress, with reward for those moving satisfactorily (as reflected, say, by improving unrestricted current fund balances).

Some suggestions have been made, and some are implicit, in the foregoing discussion. We believe that some of the basic deficiencies or handicaps of the institutions still struggling or progressing slowly need attention. Well executed workshops for presidents, with leadership from developmentally successful presidents--and the same for fiscal officers--on their substantive role (as opposed to application development) appear worth considering. Identification and effective promulgation of success experiences in particular areas or sub-areas, with involvement both of relevant activity directors and the officer to whom they report, are also likely to provide real assistance. And finally: where high technology is involved, as in the information system hardware and software issues: there needs to be more informed and specialized review of requests, or provision of some well-developed guidelines for the instruction of institutional officers, if the costly mistakes or lack of progress by some institutions in this area is to be effectively reduced.

Given the centrality of the president in development, we also believe special attention should be given to the governing boards. Here we are con-

cerned not so much in training in the general responsibilities of the trusteeship, but assistance or activity that might help this important and potentially powerful ally to become aware of the signals of danger or of developmental progress, to see the institution not only in present or historical perspective but also in terms of what exercise of certain responsibilities--more assertive direction, assistance in fund raising, or election of a new president--may contribute to development.

D. Interaction Among the Program, Management, and Fiscal Domains

In the original conceptualization of this study, we postulated that it should be useful to recognize that institutional development (as implicit in activities supported by Title III) occurs in three discrete functional areas: (1) educational and support programs, consisting of the interaction of institutional agents with students toward their educational development; (2) management and administration, or the process by which decisions are made, and responsibilities are assigned, monitored, and evaluated; and (3) fiscal affairs, or the obtaining and allocating of fiscal support for the operation and maintenance of the institution. We believed that these represented interactive functions that might permit (through examining total contexts and discrete activities in each area where soft money was invested for the stated purpose of institutional development) the extraction and specification of how these sets of functions interact with one another to explain usefully developmental change.

We found, essentially, that the most visible and exciting steps forward occur in the program area; this is what the institution has to provide to its consumers and supporters, and changes are the end products of development: whatever happens here has the potential for "showing" to members of the academic community as well as administrative and service staff, and also constitutes the immediate or ultimate basis for fiscal support. We also found visible and important changes in the fiscal affairs arena--activities that made a difference, improved fiscal resources, allowed program change to occur, and otherwise affected institutional condition--and to a somewhat lesser extent in the administrative domain. Yet, while the progress may not be so visible in the fiscal or administrative domains, it may be the more necessary moderating factor.

Institutional development is an integral part of the ongoing management process, not just something that management takes on from time to time when some circumstance prompts the need for a specific change. The improvement of management functioning for institutional development includes much more than improving its effectiveness in organizing and facilitating programmatic change: specifically, it includes the improvement of the processes by which new potential program areas, or instructional strategies are identified; the determination of what resources can be brought to bear on their development, the contrivance of or provisions for the continuing fiscal support mechanisms, and the adaptation and installation of the program or strategy into regular, continuing operation.

The fiscal function is that part of the management process concerned with generating and allocating revenue, and accounting for revenue and expenditures. It is particularly important to the development mode of management because the accounting function provides the strongest (if not always the first) indication of the need for special action or change; the development costs must be found and allocated and the change must generate the revenue for its support or be accommodated by new revenue or by support diverted from other activity, with the result either that the threat of excess expenditure is removed, or that the support resources en toto are improved.

The three functional areas--program, management, and fiscal--were originally postulated on the basis that they afforded a useful structure for viewing institutional developmental effort with a unique and necessary role for each function reflected. In the fiscal and management areas, however, the activities nominated and selected (which probably reflect the content of most funded activity in these areas) frequently focus on the provision of good and timely information for management purposes, and less frequently or less comfortably on <u>how</u> such information is to be best used. This may be critically important for external investors in development to be aware of in providing financial support, because effective management depends not only on having the appropriate information but also on knowing how data are interpreted and what is done as a result. Yet, we found few management activities substantively concerned with the interpretation and consequent action process; and, where institutions were floundering, the ball was in this particular court.

A long-range plan is now required, as part of the Title III application; how proposed activities fit in must be shown. This is a new step in the right direction. Our experiences strongly suggest, however, that what may be more

sorely needed than a requirement for displaying a plan is developmental assistance that would instruct in and support good planning itself, with attention along the way to fiscal bottom lines. This is surely borne out by the more substantial success experiences we observed. And, though some program developments appear more exciting, behind every positively developing institution was good management, with a respect for the past, a strong hold on the present, and a deliberate and searching eye on the future.

This overall concern with the management/planning function prompts us to postulate a framework for development that focuses on the management processes of defining purposes, determining programmatic assets and liabilities; and, drawing on observations of successes and failures, or progression, stagnation, or regression in the institutions studied, identifying in some orderly fashion what sequential steps need to be taken, and what this may imply for institutional leaders or external investors in development. That structure, as a "blueprint for development," is presented in Chapter X.

Chapter IX

Related Issues and Applications

Several special topics and issues that emerged in this study have not been properly addressed in the more general examination of institutional development. These are matters of substance, however, as related to the process of development and the kinds of institutions specifically eligible for Title III assistance (and other external support). ~~This~~ chapter highlights some of these special issues: the different developmental proposition for private as opposed to public institutions; the impact of "uncontrollable" external factors that affect institutions (e.g., political aspects affecting boards of control, competition, sudden wealth, accrediting agency pressure); development challenges in the historically black institutions, as a special class; the minority student on the majority campus; and the matter of where "development" stops and "operation" begins.

A. The Developmental Proposition for Public vs. Private Institutions

The sample included 31 private and 20 public institutions, the latter comprising 11 at the 4-year level and 9 at the 2-year. Some differences between these two groups are peculiar to the sample, and some to control. The public institutions (2-year and 4-year) in our sample clearly have larger enrollments; one or two governing boards plus the state legislature in control of program, budget, and general development; relatively small income from gifts, contributions, endowment--and in many cases none; and from 60 to 80 percent of total revenue coming from public sources. Private institutions in the sample have comparatively smaller enrollments; a single governing board, but frequently also a denominational or religious society office in some measure of control; a larger proportion of revenue from (and dependence on) contributions, and endowment; and a smaller proportion of revenue from public sources (development or research grants, and in some cases per-capita allocations from the state).

References to such systematic differences have been made occasionally in this report in connection with various findings. The fiscal implications are quite clear: public institutions on the whole have more assurance of regular funding, even allowing for ups and downs related to the economy and state budgetary solutions, since appropriations are generally keyed to fiscal need in terms of annual enrollment figures. The constituency is a local or

statewide citizenry bound to support the institutions via state or local budget authorities translated into taxing powers. The public institutions are <u>safer</u>, in other words, so far as basics are concerned (facilities, faculty, instruction), even though there may remain a number of critical unmet needs. The private schools are more vulnerable, except for the few with sizeable endowments; they are dependent on tuition per se instead of tuition plus state allocations based on enrollment. Their constituencies, though usually firm as church-related groups, alumni, or ethnic groups, can be fickle to some degree when it comes to actual dollar support. (Some of the private institutions in the sample are only now beginning to develop endowments or systematic alumni networks.) Thus it is not surprising that as a group, private institutions have more experience in cultivating private business and foundation sources through aggressive solicitation--just as public institutions have focused on cultivating political and thus fiscal support at appropriate levels.

Although public institutions are in a better basic survival situation than private institutions, both groups appear to have the same sorts (and degrees) of need for change and development. Yet, a number of other factors make the developmental proposition different for the two groups. Both public and private institutions, of course, seek external support of many sorts and from many sources; but, curiously, the response to the outcomes of this search varies by institution type. Creative efforts by private institutions to build up surpluses and resources manifest good management as well as a readiness for expansion. Good management at public institutions is more a matter of living within the budget, and these institutions generally try to hide fiscal cushions and to minimize the reporting of gifts and other income, for fear of reductions in allocations of public funds--a necessary but unfortunate strategem that may ultimately hamper development.

Public institutions appear to be more constrained than private by the number and nature of their boards. These may include the institution's own board, a larger multi-institution board, a coordinating agency, and, of course, state budget authorities and the general assembly. The multi-institution context for budget decisions is a competitive context for the individual institutions involved; thus, the institution has less control over program determination and expansion. The boards must necessarily become involved in such matters as duplication of function, response to equal access degrees, state plans, and creating programs based on economic or other public

needs. They are, frequently in a real sense, subject to state or local political pressures. Boards sometimes thus have more "loyalty" to the state than to a given institution--or if loyal to their "own" specific unit, have little actual power over budget or program. As noted earlier, on the whole trustees of public institutions perceived their role as one of controlling development, whereas private boards more often encouraged development and the search for needed resources.

In addition, public boards (or agencies, or indeed legislatures) are more likely--by virtue of having public responsibility and systems to manage--to create policy and procedures on such matters as purchasing, salaries, contractual arrangements, and grant applications which, while not denying development, may tend to hamper it in some ways. These are usually efforts at efficiency and consistency, which in another way may enhance some aspects of public institutions' development efforts by imposing good management practices.

In contrast, private institutions are much freer to seek development resources and to control decisions on program development areas, as well as budgets. The other side of the coin is that they must do so independently, often starting from scratch without certain consistent procedures and mutual support mechanisms of which public institutions can make use. Private schools are, however, in a general stance of being able to create their own missions and to control their own destinies. There is less bureaucracy to contend with--although as noted earlier, major changes in mission and direction have not always come easily since private boards and constituencies rightfully have much to say on these matters.

In terms of needs for development in the program and management areas, however, private and public institutions are much the same. As groups, they have sought very similar sorts of improvement and change--from fiscal accounting systems and resource enhancement to information systems and long-range planning, new career-oriented offerings, faculty development, and student services. They are also similar, by virtue of being Title III-eligible, in the response of the Federal government through awards and in the nature of the low-income and/or minority students they serve. They differ, however, in their risk positions (as to survival) and direct control over their destinies, as well as in the internal and external factors (principally governing boards and statutory provisions) that influence how they proceed with development and where they turn for fiscal support.

We also must note that public institutions have another source of funds for development of special programs beyond that available to private institutions--this comes from the impetus that recognition of state or community needs may provide for special budget allocations to the institution. In a sense, the institutions largely supported from tax-based revenue are not as dependent on soft money for their most urgent developmental needs. Title III and other soft funds thus serve more to sweeten the pot than to be the difference between development versus stagnation, and appear relatively insignificant alongside the funds that can be allocated for a new professional school or some other resource designated by the state as a major need.

B. External Factors Affecting Development

Institutions are never completely free agents in defining or implementing their missions or managing their affairs. There are contextual factors in the external environment over which the institution has no or limited control that may affect mission, program, resources, costs, enrollment--in short, any aspect of development.

Some external factors were considered in contrasting public and private schools (Section A), but some examples from the case study experience are further instructive. Examples of essentially negative impacts serve to show the extent to which public institution board-related or government-related factors may constrain or define development, factors over which the institution has no control or little influence. In one notable case, a state-level board dictated that the given school could not embrace any form of graduate work (this is still true) and pressured the school to mute its basic skills program; the same board repeatedly refused to sign applications for the Cooperative Education programs, assuming (incorrectly) that it would lead to some form of duplication in the state (this stance changed in 1982, giving the institution new opportunities for program development related to low-income students). Other boards expressed their "preferences" in less direct ways, but nonetheless expressed them. In another state, legislation requires that all Federal grants be funneled through the state capitol, seriously affecting schedules for Title III awards and threatening administrative and program Activites with special bureaucratic "oversight." In at least three additional cases, state law and/or recent court orders dramatically influence the entire program (and any possible expansion) by requiring merger of campuses (which in

one case had already resulted in a single "bad" program in place of two earlier adequate ones) or restrictions of program offerings. In yet another instance, a county board and a state board exerted various pressures on a community college to focus on a college-transfer program in place of its vocational emphasis; the situation has eased, but the institution continues to wage its battle each budget year.

The influence of the external context extends beyond constituencies, governing boards, and statutory or other controls on budget and program. Some of the private institutions in particular faced major competition from nearby less-expensive public competitors; some institutions were located in areas hard hit by selective recessionary forces. State economies vary, as do the priorities for various budget line items; some public institutions were in states increasing support for higher education, while others were facing another year of holding to the prior year's level or sustaining a decrease. Some institutions were saddled with physical barriers that were difficult to remove: the campus heavily dependent on off-campus housing, in a high-cost (from tourism) area; the campus in a sparsely populated area but with local appeal; the non-resident institution virtually closed by area economy-driven reductions in bus service. We have noted that the successful institutions have frequently found creative solutions to staggering external constraints; nevertheless, these constraints vary in nature and severity.

In a perversely negative way, two institutions have had their development efforts affected by large new sources of income and/or endowment. This new wealth seems to have led to grandiose plans in one case, with no systematic review of mission or of what the proposed changes would really do to this small rural college; in the other, it appears to have led to an assumption that there is now less need to manage carefully. A third institution, too, has prepared plans for what seemes ill-advised expansion to university status, based principally on the threat posed by potential location of a state university branch nearby. One way or another, these schools are being led down the garden path without apparent reflection, planning, or consideration of potential detriments or needed tradeoffs. In these cases we believe that development is threatened, not enhanced.

External factors have positive influences as well. Several cases are reported where a professional or regional accrediting agency has goaded institutions into moving more forcefully to change facilities and program; these

prods were perceived as pressures at the outset, but are appreciated now. Boards of two other institutions provided their own goads, pressing one dean to revise the general education curriculum, and the other administrative cabinet to make the plunge into a "new" career-oriented area: business administration. It was new to that institution, and thus a key decision.

External forces can represent good fortune, too. In one instance a foundation literally almost forced its grant on an institution so that it would start a formal development (resource enhancement) effort; in another location, the existence of a consortium made it possible for the institution to advance significantly in its data processing activity; and in two additional cases, the presence of a large industry or the threat of a new 2-year college's being located nearby goaded these institutions into actions (on the program and administrative sides) they will never regret. They both developed markedly as a result. There were also several institutions whose development benefited notably (at least in terms of their own current perceptions) when control changed hands from a religious order to an independent board, not so much an action sought as one that evolved.

If there is any lesson here for development efforts in the future, it is that institutions should look in all directions at all possible forces which might influence their expansion, their programs, their administrative capabilities, their missions, or their specializations and distinctive features. The strong institutions had, in most cases, forecast and anticipated the external context factors that could affect their futures, and taken some corrective or evasive action. The vulnerable institutions had more frequently been caught by surprise, could see no way out, or had simply refused to respond.

C. Development in the Historically Black Institutions

Of the fifty-one institutions studied, 27 were historically or predominantly black. We are also well aware the the original focus of Title III was primarily on black institutions suffering from decades of neglect, isolation, limited revenue, and students of modest means, however defined. We are aware that in the current administration, the Title III program seems increasingly to be labeled in the press and by administration appointees as "the Black College Program," although many more non-black than black institutions fall within the eligibility criteria and receive Title III funds. We are also well

aware that despite a number of social changes in the last two decades, the nation's traditionally black institutions as a class still have special needs and challenges that are distinct from those of other classes of institutions (although these needs and challenges differ somewhat from what they were in the mid-1960's). To this point, findings of particular and specific relevance to traditionally black colleges have not been profuse in our prior discussions and interpretations.

To some extent, this results from the terms of the basic proposition examined--which is, how can higher education institutions of modest means, a tradition of commitment to improving educational opportunity, and which provide the best they can to those who knock on their doors, be helped to improve their quality and viability? In answering, we found no lines of race, color, or creed. Dynamic leadership, the strategies for improving revenue and the revenue/cost ratio, the need for strategic planning, the ways of avoiding distraction by crises or the oppression of such contextual forces as declining markets and increasing competition, and what is done if these problems are corrected or neutralized, did not seem to vary at all as a function of the prevailing color on campus. Of the institutions visited, there were no distinctive relationships between institutional type in terms of ethnicity and the standings on the variables used to assess development, future prospect from fiscal and enrollment trends, or quality of program. (Of the nine institutions rated as positively developing, four were traditionally black colleges; of the eight at the other extreme, six were traditionally black colleges.) No doubt significant differences would emerge had we examined such qualities as proportion of faculty in particular areas with terminal degrees; but, we were not focusing on distinctive needs of traditionally black colleges as a special class of institution, but on what constitutes institutional improvement in the total group of institutions examined. We found that good management is good management, and that the traditionally white colleges have no corner on this market.

Nevertheless, in spite of the muting in this regard imposed by the focus of the study on institutional development in general, we could not help but note some particular problems, challenges, and solutions relevant to traditionally black colleges generally.

The characteristics of the institutions with regard to Title III eligibility indices and award history should be noted.[1] In terms of award history, the higher proportion of black institutions in the sample of higher annual award institutions, as noted in Chapter II, is reasonably strong evidence that black institutions have been heavier benefactors of Title III; it is well known that a high proportion of black institutions as a class have received awards in comparison to non-black institutions. Of black institutions in the study sample, most had been in the Title III program from the beginning; the other institutions in the sample, on the average, received their first awards in the mid-1970's.

The black institutions tended to have higher per student E and G expenditures than the non-black institutions. For example, of the private four-year institutions, the sixteen traditionally black institutions average about $5400 in 1980-81, while the counterpart white institutions averaged about $4600 (for the public four-year institutions, traditionally black institutions averaged $4300; the figure for the white counterparts was $3200). This places the value for the traditionally black colleges one-fifth to one-third higher than that for their white counterparts.

The traditionally black colleges had much higher proportions of students eligible for Federal student aid than their white counterparts For example, for the sixteen private four-year traditionally black colleges, the average proportion of undergraduate students receiving Pell grants was 86.3 percent, against 48.5 percent for the white. This, of course, placed the dependence on revenue from student aid higher for the traditionally black colleges as well.

The student aid data suggest a critically important class of challenges for the traditionally black colleges. Their students come from lower income families, in comparison to the other Title III counterparts; we also note the simple fact that given that median black (and other minority) incomes and employment rates are well below those for whites, the black institution has less opportunity to improve the affluence represented by the student body through selective recruiting, were that option vigorously pursued. It also

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1 For the real impact of the statistics noted, recourse should be made to the values for the larger populations, given the non-representativeness of the institutions in our sample for those populations. For this reason, and because of the small number of cases, the statistical values cited in this section are rounded.

underscores the greater dependence of the traditionally black colleges, public and private, on indirect support through Federally based student aid programs. Most of the traditionally black colleges, and the private traditionally black colleges in particular, would be in real jeopardy if the Federally supported contributions to tuition and expenses were substantially reduced.

Note should be taken that although no systematic study was made of the academic credentials of entering freshmen across the institutions, many of the black institutions, in contrast to the others, were experiencing year-to-year declining levels of academic ability as measured by traditional admissions tests, a phenomenon generally attributed (and probably correctly so) to competition from white institutions for the ~~highest~~ scoring black students. Given the moderate relationship between socio-economic status and scores on such traditional tests, as well as what the scores imply in terms of need for remediation or ability to learn under traditional instructional systems, this factor would seem to represent a serious challenge to black institutions, who must face increasing competition for the prospective students among their constituencies who look best in terms of the traditional currency for academic promise.

In a number of black institutions, and particularly those with increasing enrollment trends, there appeared to be increasing pressure to reduce the numbers of students who deferred, or defaulted in, payment of tuition and fees. In one institution that had with increasing enrollment reached its perceived optimal size in terms of present space, resources, and facilities, there even appeared to be a move afoot to put pressure, though admissions criteria, on some new emphasis on ability to pay. Other institutions were taking harder ~~lines~~ on followup of individuals defaulting on tuition payments, or restricting continuation until debts were paid.

Another phenomena that seemed to characterize the stable traditionally black institutions to some extent, and the traditionally black colleges ranked as strong to a considerable extent, was a deliberate search for new programs that might represent professional job opportunities of particular interest. In this move, the emphasis was not on pre-professional studies (e.g., pre-law; pre-medical) that would require further work beyond the baccalaureate degree, but rather on such programs as media and communications, medical technology and other health fields, and microelectronics technology. In few black

institutions did we find the emphasis of one or two decades ago on education as a major field.

No careful comparative examination of faculty credentials was undertaken, but our impression in general was that this situation has improved remarkedly over the past decade, through upgrading, larger numbers of blacks entering graduate study, and the infusion of non-blacks into the faculty ranks as a function of the current excess of supply over demand in many fields. We did note that in a number of academic programs where real effort to obtain credentialed black faculty had been successful, and where students were prepared for fields in which professional blacks are substantially underrepresented (e.g., engineering; accounting), there was considerable apprehension that both business and industry, or white institutions willing to pay a premium to add black faculty, would erode the most competent of current faculty. A number of deans and department heads noted that new black PhD's were starting generally at salaries equivalent to or higher than those of their full professors of some years of experience, and anticipated real difficulty in maintaining what they had achieved.

Other significant factors, not necessarily growing out of the study but derived from more general observation, include the increased external support generally available today (over that avialable one or two decades ago) for black institutions; the increasing organization and sophistication of groups formed for political representation of the interests of black institutions, and an increase in representation and recognition of these interests in the government; and the necessary continuing search for unique and valuable distinctiveness in mission and contribution as a black institution now operating in increasingly non-segregated higher education systems.

We could not help but note that particularly in the strong black institutions there seemed to be a quiet but pervasive conviction among the faculty and administrators that their futures and those of their students lay in producing students who not only could win jobs, seem as a relatively easy proposition given pressures for hiring minorities, but who could competently hold their own or excel when compared with their white peers. More serious and deliberate efforts were being made in the early college years to deal with basic skills; the lead departments were more likely to compete not for numbers but for the best students. More importantly, unusual energy and rigor were being appied to instruction, and students were being worked very hard in these

instances. We believe that in many of the traditionally black institutions a new and wholesome elitism is being developed that places real accomplishment first, that is not letting students get distracted by the new ease of entry into fields formerly restricted. Starting salaries and continuance and progression in career are monitored closely, and there are increasing accounts of significant accomplishments of former students.

Finally: we would note that the black institutions perceived as strong are putting considerable energy in utilizing and exploring the equal opportunity momentum in today's resource market, and are operating at sophisticated levels. For example: one state had mounted a campaign at the governor's level to attract the microelectronics industry to that area; the effective president of one traditionally black institution in the state system had assumed that all involved would be aware of the attractiveness of designating his institution as one of three institutions (the other two traditionally white) in the system to develop programs to support the drive. Another black institution had profited greatly by special efforts to capitalize on interest in showing a racial balance in funds awarded for defense research. One president interrupted our interview schedule for a special meeting with Congressmen that were concerned with the particular needs of black institutions; another black institution was hosting a meeting of Federal department heads and prospective contractors while we were on campus. Recognition was abundantly evident in the strong black institutions of the competitive edge provided by the needs of government and business leaders to "buy black" to a higher degree, as was recognition of the importance of the ability of the institution to show that on its campus blackness and quality went hand in hand. In short, these institutions were marketing aggressively for their full share of special opportunities.

D. Findings Related to Treatment of Minorities on Majority Campuses

The equal opportunity component has always been central in Title III intent. In the beginning, focus primarily on traditionally black colleges to improve their quality was recognition that the traditional students at these institutions suffered along with the institutions themselves. Defining eligibility in part in terms of low student family income (rather than minority status) was a political/legal necessity, but it probably helped to open the Title III opportunity to additional "majority" institutions as well. More

importantly, the increasing trend over the last two decades for blacks and other minorities to enroll in majority institutions, many of which have limited resources as well, adds the special dimension of concern about the educational treatment of minorities on majority campuses, and how Title III may impact to improve this treatment.

It is noted also that of the many "slings and arrows" the Title III Program staff have suffered over the past two decades, failure to champion equal opportunity for one or another or all minorities has not been in question. As the preceding management study found, the distinctive, long-term, and effective concern of Program staff has characteristically been one of assuring fair treatment of those individuals "disadvantaged" by race or parental income.

The inquiry reported did not explore intensively across all majority institutions the status, problems, and treatment of minorities. However, some developmental activities examined in depth were directed toward increasing the numbers or improving the social and learning environments of campus minorities, and in most instances the site visit teams, containing one or more minority members themselves, were especially sensitive to the inevitable signals as to how cordial and effective the environment was for minority students.

A finding of some importance was that pockets of racism still exist, and are not difficult to detect once on campus. The reception given the black specialists on the site visit team by some traditionally white institutions was quite detectably different from that given their white counterparts. When individual administrators at one such institution were asked about any problems associated with minorities, the typical response was that all those who can learn quickly whether they can make it or not "don't give us any trouble; it's the Feds on our backs who do." In another instance the Director of Admissions confided to the (white) interviewer (who was recognized as a native of the Southern county the Admissions Director had grown up in) that effective constraints in keeping blacks a token minimum were handled easily by emphasis, in recruiting, on emphasizing contacts with white teachers and counselors for referrals.

A second finding was that such pockets of racism were not confined to the institutions in the stable, vulnerable, or mixed groups in terms of developmental status but were occasionally found in the strong group as well. To be sure, the criteria for assessment of institutional development status did not

include such an element, but we feel in retrospect that this was proper: some institutions are viable or are becoming so with careful attention to equal opportunity, others are viable or are becoming so without such attention. The two factors do not appear to be functionally interrelated.

We suspect that the forces perpetuating these subtle but important barriers most likely come at the board or senior administrative levels, in institutions where there have been traditional constituencies of lower socio-economic level whites (and where strong elements of provincialism still prevail). In both of the institutions providing the examples cited, there were strong (white and black) faculty advocates for minorities; one of the two institutions had indeed, at the faculty level, an informal but special program of substantial positive merit in helping black students to feel at home, to use the campus to exercise special interests in positive ways, and to develop positive acceptance by majority students.

A number of predominantly white campuses with sending areas containing significant numbers in two or more minority groups confessed and exhibited difficulty in serving each equally. This was less likely in the community (or non-residential) colleges, suggesting that the social or living context is a factor, but it is noted that community college campuses seldom exhibited any problem of apparent racist attitudes, differential treatment, or any distinctive response by students that would signal trouble. No instance was found, in any institution, where a single support activity focused exclusively on more than one minority was equally attractive to the constituent minorities. Where there were parallel minority-directed activities, one tended to be very much ascendant over the others, with the best explanation appearing to be the competence of the ascendant activity director to serve both the students and the institution, while the other activity director tended to be the student advocate fighting city hall, or simply giving up.

Examination of the exemplary programs directed toward the facilitation of minority students suggests that such programs are more likely to exist in institutions where the mission has been shaped by a sense of public responsibility or religious conviction to include attention to any special needs of minorities, and to guarantees of equal dignity. Positive climates were also more likely to exist where the socioeconomic backgrounds of the majority students were not highly discrepant from those of the minority students. The commitment, attitudes toward the institution, and skills of the activity

directors--and their rank or status, and acceptance as a peer by faculty or administration--seemed particularly critical. One extremely able director of a thriving cultural center for Native Americans said, "My staff works to help the student <u>work within the larger institutional system</u> to solve his or her problems, whether they are the fault of the system or the student." Success was also marked by deliberate effort to develop positive self-regard and to obtain reinforcement from outsiders. At the Native American "Studies Center," whose director has just been quoted, there were special campus-wide cultural events sponsored by the Indian students that were attractive, instructive, well-subscribed, and enjoyed--e.g., a weekly honey-tasting social, an arts series (dance, music, paintings) that gave legitimate pride to the presenters and evoked legitimate appreciation by the larger campus community. This was one of the few campuses observed where students clustered in groups of two or more without any regard to race; they were obviously young people enjoying one another as peers. (Incidentally, this program existed in an area with a significant Hispanic population; the Title III Coordinator was Hispanic. But, he confessed, "We can't seem to get much going that could match the Native American Program and attract Hispanics--they feel they are the neglected minority here." This was, incidentally, a concern the Native American Program Director shared, and most obviously shared painfully.)

Though an isolated instance, one situation designated to promote parity was threatening to backfire, and should be noted. This was a public institution where state law established a significant tuition credit at that institution for any Native American student. Yet, several administrators interpreted this in this way: "The Native American students pay less tuition than other students; our state appropriations are essentially on a per-student basis. Thus, the more Native American students we have, the less per-student revenue we have to work with."

E. <u>Implications for Development of "Developmental" and "Operational" Activities</u>

A perennial question, at least for Title III program staff and readers, has been whether developmental and operational activities (or functions) can be distinguished, or where development stops and operation begins. The concern of course is with the standard proscription against use of Title III awards for operational purposes; such a requirement implies the need for a

workable definition, and this has not been easy to come by. A second concern is whether and to what extent these terms denote functionally different circumstances or are qualitatively different in some ways that may matter to institutional development.

With some notable exceptions, we felt that we could distinguish developmental from operational activities fairly well by using a functional definition. The definition seemed to serve, however, because we were on campus reviewing activities from several perspectives, getting a sense of timelines involved, observing how the point of changeover varies for different sorts of activities. We do not suggest that it is easy to make this distinction on paper (for the writer or for the reader), but we do feel that the experience in the field shed some light on the issue that may be useful in the future. In the present context we are dealing primarily with developmental vs. operational activities (as units defined for study purposes and supported in whole or part by external resources), but it seems likely that the distinction has broader applications to smaller bits of change that contribute to such activities or larger chunks of change that result from the interaction of several concurrent or sequential activities.

The working definition of "developmental" was essentially this: *a unit of activity whose purpose is to improve viability, directly or indirectly, by making changes of some sort in structure, function, or condition.* The emphasis was on change; changes presumably take planning, leadership, funds, and time, and at the "end" of the developmental effort something new or different is in place--recognizable as a change that either directly affects viability (condition) or does so indirectly through structure or function or has the potential for such effects. The definition of "developmental," in other words, is bound up in the purpose for initiating the action; the definition assumes not only an endpoint but also a useful outcome. This should sound familiar as the culmination of the criteria employed for assessing the relative *value* of developmental activities (see Chapters VI and VII), thus tying together definition, selection, and evaluation of developmental functions.

The working definition was amplified in the field by stressing the temporary duration of the function, that is, the arrival at some defined endpoint (in time or in accomplished change)--and then its cessation *or* its continuation as an operational function assumed by the institution.

Operational? This function is defined primarily in fiscal terms--that is, an ongoing activity, formerly developmental, that is deemed valuable enough to continue on the institution's resources.

Applying these definitions raised questions. Should "operational" be defined so strictly, or may acquisition of other external funds along with internal funds qualify for crossing the line from developmental to operational? Can a single activity (as originally carried out) have continuing or somewhat new developmental aspects and continuing operational aspects at the same time? If so, can these be easily distinguished for budgetary purposes? Is some criterion level of continuation (say expenditure of 80 percent of annual earlier development cost) required in order to say that any activity is indeed operational? Can the same defined activity be developmental in one location and operational in another? For activities (functions) that really matter to the institution and are intended to continue, can there ever be an endpoint to development? Don't their components, operations, and benefits constantly evolve?

The last two questions imply another. Shouldn't Title III and general external intent be interpreted as seed money, getting the process started, initiating movement toward change, with perhaps an arbitrary cessation of support after a "reasonable" development period? If the line between development and operation is difficult to recognize, then perhaps dollar or time limits on external investment--based on a broad inventory of experience--may be defensible and practicable.

Basic skills may be an example. This program activity has generally been generously supported by Title III, presumably because of the clear need for this service and because the service is delivered to the appropriate targets of Title III intent. Annual grants have frequently exceeded $200,000, covering a wide range of items: faculty, materials, equipment, associated counseling and tutoring, course development, testing, faculty development, etc. For the 8 basic skills activities reviewed, awards have been made for from 4 to 10 successive years, with a median of 6. Yet only 1 has been weaned from support as of 1982-83, not because the particular function was planfully absorbed by the college but because there was no Title III award at all; this institution allocated about $100,000 for the 1982-83 year, cutting back on one faculty position. But this institution, like several others, plans to request further support in the next cycle regardless of the extent to which objective

indications suggest that the program is already operational--that is, it functions in full flower as an ongoing set of structured services, sometimes 70 percent or more supported by Title III. At least 3 schools responded that they could not possibly continue basic skills without external support, virtually always meaning Title III. The situation is excaberated by the absence of other viable means to support its costs--it is an enrichment activity involving those with least capability to pay.

With basic skills as an example, there are at least three principal dilemmas here. First, continuation under Title III support apparently represents what is essentially operational activity. Second, this sort of activity frequently obfuscates the developmental-operational definition by adding new (but perhaps relatively small) features in each grant, such as extension from a semester to a year, a different testing/scoring approach, faculty development in a new instructional technique, and so on. Third, and perhaps most important, basic skills by definition for the populations served is a matter of great expense. It is needed; it is vital to any chance of retention of students; it is often viewed as something the institution could not carry off on its own. For certain institutions it may, in fact, be a keystone as important as the library, the computer science major, the financial accounting system. Yet it costs a great deal. The dilemma is whether or not Title III should continue to assist it, regardless, for the reason that it is so primary and so related to all that Title III is about. If the answer is No, then some definitional rubric distinguishing developmental from operational may be applied; if the answer is a qualified Yes, this could mean some time or dollar limit over a span of "developmental" years, or possibly a continuing form of assistance to a proportional limit.

Chapter X

A Functional Blueprint for Development

In this chapter, a brief examination is made of what we believe constitutes the essence of the process of development as it may be deliberately controlled by the institution. This has to do with long-range planning--its inputs, the process itself, and the intermediate and ultimate criteria it must employ, with emphasis on criteria of fiscal health. It is our "functional blueprint for development," drawn broadly from what we observed at the strong and the stable institutions, but found largely absent at the vulnerable institutions.

A. The Centrality of Planning to Institutional Development

The institutions visited, though varied, had some aspects in common. All had high proportions of low-income or minority students; all had, in comparison with other institutions of their type (as characterized by control and 2- vs. 4-year program), more limited fiscal resources to invest in their educational program. All had received substantial soft money assistance over the prior 5 or 6 years from Title III, for improving the quality of their management and programs, and for acquiring a greater capacity for achieving, maintaining, or expanding their fiscal viability. The institutions differed markedly, however, in their current risk position and in the direction and rapidity of developmental movement.

Many--particularly the public institutions--appeared stable, with no real threat to survival, but with little evidence of having experienced marked recent change in quality or capability. While their officers and faculties were not necessarily comfortable with current condition, their focus appeared to be largely on maintenance of the particular niche and assets the institution provided. A president or a business manager might be threatened; the institutions were not.

Some other institutions were clearly vulnerable, wallowing in crises that threatened to overwhelm them or in apparent continuing decline; this status may have been a result of mistakes or complacency in the past, of natural disasters, or of particular troublesome contextual factors: loss of significant sources of support, competition from more advantageously situated institutions, erosion of traditional constituencies.

But: some institutions clearly had positive momentum: they were finding ways to increase revenue or to operate more efficiently, to allocate their resources to better advantage, to improve the quality and relevance of educational treatment of students, to provide better for their faculty and staff, usually while expanding or holding steady their enrollment, but sometimes as a deliberate adjustment to a decline in enrollment. They were in sound fiscal condition, with fiscal trends projecting substantial security for the future.

What the differences among these institutions would have been without the special developmental investment is largely undeterminable. We did come to believe, however, that institutions making good use of Title III or other soft money funds in terms of the excellence of the activity execution generally tended to be those with developmental momentum already established through certain internal forces quite separate from Title III. That is, developmental investment in and of itself, when viewed over the six-year period, was not found to provide any guarantee of positive results. For those institutions with developmental momentum, Title III appeared to accelerate that momentum; for those without, the developmental impact was less clear, and in a few instances the evidence suggested that Title III funds were actually encouraging dependency on this source of support. The data also suggest strongly that when a particular needed activity is forced on an institution (e.g., as a condition of the grant), positive impact is less assured than if the activity constituted part of the institution's own predetermined developmental strategy--that is, the institutional operators must recognize its importance and take it seriously.

While the kind of special developmental investment examined was generally encapsulated in a package of several discrete activities calculated to improve some aspect of developmental functioning, and though these activities could be assessed with some confidence in terms of their specific and plausible objectives and outcomes, their larger contribution to the total institutional condition or free-standing capacity for positive change was less clear, as a function of the varied forces that interactively affect the total institutional condition.

The stark contrasts in developmental condition, however, seemed to expose rather clearly some particular forces in the institutional structure and characteristic mode of functioning that appeared to control both what was done with all the problems, assets, and opportunities, and that seemed to

provide satisfactory explanations of current status as well as satisfactory bases for projecting future status. There was some evidence, also, that how Title III or other soft money developmental activities were managed and utilized was very much like any other asset or opportunity was utilized, and that it was easier to identify the functions and functioning associated with using investment money and anything else well than to determine what particular investments would improve those functions and functioning. It has been noted that imposed activities appeared less likely to be well-used than those originating in the institution itself--at least for the strong or stable institutions. This is plausible, and would lead to a conclusion that it may be easier and safer to formulate criteria for selecting the institutions in which to invest, than to determine what specific investments would in themselves contribute to the improvement of the institution's capability to manage well its own affairs. This reasoning suggests that one solution would be to make award contingent upon evidence of developmental progress, or absence of factors associated with developmental vulnerability--and to leave it largely to the institution as to how the developmental funds would be invested.

Yet, such a solution, in addition to being politically unworkable, would fly in the face of Title III intent as we have interpreted it. (Title III is directed specifically to vulnerable institutions.) We are confronted with the more difficult proposition of using specific investment (that is, funding particular developmental activities) to improve the institution's capability to manage its affairs well. Title III is directed toward improving educational opportunity, through assisting those institutions serving significant numbers of students from low-income backgrounds. It is clear in the restatement of the law that this is not to be accomplished, however, by a Federal subsidizing of those institutions, but by helping those in distress to improve their ability to make it on their own, to become viable and self-sustaining, to manage their own affairs better.

What is it, then, that the institutions with developmental momentum are doing that accounts for their effective utilization of Title III monies, and that is relevant to Title III program improvement? Some findings are not particularly useful in this regard. For example, although the institution's president is central to development, the choice of a president is a matter for the institution's board of control, not for the Federal government. Other findings, however, do identify practices that are amenable to change through

investment at an activity level. These findings also have import for a better understanding of what is involved if an institution maximizes its security and positive impact.

We place strong confidence in the finding that those institutions that had devoted themselves seriously for a substantial period to the long-range planning activity appeared to have the best current condition and the most promising prospect for the future--not just because of the planning activities examined in detail as developmental activity were strongly associated with our evaluation of institutional status, but because their elements tended to appear wherever developmental excellence was believed to exist. This behooves us to look more closely at the process of planning as it appears to play out, in those institutions that are clearly making progress in this regard, in terms of postulating the essential elements found in that process.

We believe that the elements in effective long-range planning include: (1) the specification, and further explication, of the institutional mission; (2) the establishment of the planning process--determination of a structural approach, specification of participants, and the development of criteria for the assessment of current and future status; (3) the planning activity and process itself, or the determination of short- and long-term developmental priorities and the strategies for their attainment; (4) the implementation and operationalization of these priorities, and their monitoring; and (5) the assessment of outcomes and consequences, both of developmental changes and the total functioning of the institution as it may be progressively modified by the developmental activity as well as by new outside forces. We turn now to brief discussion of each of these elements.

B. The Specification and Explication of the Institutional Mission

The institutional mission is the totality of its distinctive and purposeful objectives for being, in terms of (1) the particular subpopulations it intends to serve; (2) what it strives to provide for them or do to them through its educational and other programs; (3) its particular values, as they affect the content of the program, the instructional strategies, and the learning and living environment; (4) the roles it serves for its controlling authority; and (5) the particular services it aspires to render to the broader publics it espouses. It is what and to whom it has to sell and to contribute.

American higher education institutions differ, of course, in the nature of their particular missions. For any institution that has been in existence

over a period of time, the mission is modified by (and hence to some extent is a result of) changes in the external world that affect its potential, and its particular success and failure experiences. Institutions differ also in the extent to which their mission is explicit, through encapsulation in an adequate statement, or implicit, as may be inferred from what it appears to be accomplishing to knowledgeable internal or external observers. Institutions differ as well, it may reasonably be assumed, as to the degree that their mission expresses a useful, relevant, and timely purpose, or, put another way, as to the degree that it represents an achievable purpose. For our purposes, however, we are concerned not so much with how the missions of the institutions studied differ, nor with the degree at ground zero that they are explicit or implicit, but with how the institution's concept of mission may be utilized to affect the orderly development, maintenance, and viability of the institution. For this purpose, we are concerned about the ways institutions may properly determine, test, and apply the concept of mission, not differences in mission itself.

In this regard: institutions differ markedly in the clarity and specificity with which their missions are or can be expressed in objective or behavioral terms. The mission statement of some institutions is little more than a carefully worded expression of extant biases, of generalities that cannot be contested because they are as pure and conventional as motherhood and apple pie, and completely unamenable to any real proof of accomplishment by testing. If there is no extant and accepted statement of mission, the mission that can be inferred sometimes suffers from the same problems of ambiguity and lack of specificity. In other instances, the mission is clearly stated, or can be readily extrapolated, in terms of its particular targets, objectives, and values.

Second, institutions differ in the extent to which their concept of mission involves the five different elements that we have postulated are components of mission. Obviously, "to serve low-income or minority students" is a less satisfactory statement than "to serve low-income and minority students by training them for employment as teachers, nurses, and accountants."

We have noted the need for clarity and specificity of the statement of mission; this further applies to each of the components of mission. The particular subpopulation the institution intends to serve should be identified in terms of all characteristics relevant to student market, program content, instructional strategies, and particular institutional values. An excellent

example was provided by one institution clearly exemplary in overall developmental progress. This institution first examined its current student population in terms of their geographic origin, ability, prior academic performance levels, family occupational and income characteristics, and activity following graduation. Learning that the majority of its students came from a discrete geographical area, it then examined the competing institutions also drawing heavily from that area, in terms of their admissions standards, costs, and programs. The findings not only identified a prime target area and particular secondary schools within that area for recruiting, but also suggested a current involvement with and market for students from families with incomes in the $14,000 to $22,000 range, with SAT scores in the low average to average range, who tended to be first generation college students or children of alumni, and who aspired to education that would assure them productive employment in their home areas and its (rather distinctive) prevailing employment market. Some of the results attributed to the effort included more efficient recruiting; increased enrollment; the establishment of a remedial service; the decision to hold the line on tuition increase but expand other sources of support through funding drives; to invest in further development of several programs relevant to employment opportunities in the area served, and to let other programs make a transition to a general education service function; to fill faculty positions with individuals interested in such students as those identified and specially recruited. The institution appeared to have been remarkably successful in all these endeavors; it had a renewed and special sense of mission. It also presented itself as a happy, effective, and growing operation with a year-end surplus of revenue over expenditures. This developmental effort was, incidentally, fueled essentially by a dynamic president and elements from a number of clearly successful Title III activities.

What the institution provides to students through its educational and support programs is a matter of characterizing the kinds and qualities of educational offerings. We were impressed with the institutions that took self-study and accreditation in particular program areas seriously, and/or who attempted to validate perceived strengths by follow up of majors after graduation, or who took student evaluations maturely and seriously. We noted also the trend at most institutions to put more emphasis on student concerns for marketable skills. We noted as well some serious effort to determine the real value of some of the traditional liberal arts and sciences courses, and to examine their functional interrelationships with the new developing programs.

With regard to particular educational, religious, humanitarian, or scientific values: the impact, of course, is more difficult to test. Nevertheless, the successful institutions tended to have a unanimity on these matters, and the successful activities were seldom in disharmony with such unanimity where it existed. Some of the most troubled campuses were those where faculty, or faculty vs. administration, were torn between liberal education vs. vocationalism, between remediation as an integral part of the program or as an adjunct salvage proposition, between service to community or national interests, or between a religious or secular emphasis in course content or student life activities.

With regard to the interests and needs of the controlling authority: this appeared to be more critical and more recognizable for the public institutions, where boards represented political and economic interests as well, and where particular functions might efficiently be allocated among different institutions in the system. Most 2-year college boards, though frequently subject to large coordinating boards of greater or less authority, consisted of a cross section of community leaders and representatives of particularly critical trades or technologies in the community. The private institutions appeared less susceptible to particular operational mandates from their boards; the church influence, though still strong in some and sometimes because of need to perserve financial support from that source, seldom resulted in the specification of mission mandates except in terms difficult to operationalize or in terms affecting one small segment of the total institutional enterprise.

Service to the broader publics, except for the 2-year community colleges, is a somewhat esoteric matter in many instances, representing a simple expression of values, or a peripheral activity for public relations functions. Sometimes faculty and resources that can be spared to some broader purpose are contributed. Yet, some of the more successful institutions had identified particular contributions the college could make to the cultural, social, or economic life of their community; in some instances, the institution had created successful service or cultural enrichment programs for the sponsoring church, a special interest group, or the state or nation. Some institutions, of course, found particular opportunities for direct service within the usual functions of the institution--the instance of the establishment of an associate degree program within a medium security prison or, in several instances, special programs or courses for adults or retirees. At the same time, benign non-

recognition of special service roles that the institution could play seemed to be a factor related to decline or risk, as in the case of the institution with a heavy contingent of foreign students who did not fit in its academic or social programs, or, in another instance, an institution located in a community crying for involvement that would have been relevant for the institution to provide, and where such involvement could have had beneficial impact on enrollment and community support.

The boards of community colleges were frequently instrumental in defining community service roles; this, of course, is their principal business. We noted that although the community colleges in particular were frequently active at all staff levels in developing special service opportunities, they were traditionally reactive rather than proactive in this regard--that is, they focused on visible maintenance needs of the community as they arose, with little or no involvement in projecting what the community might become if future needs were projected and anticipated. That was left to local business and government leaders.

The recognition, elaboration, and specification of mission is, in theory, a starting point; in some planning activities, it is a discrete and initial step leading to specification of goals and priorities for study or tryout. For most, mission specification, as other elements of planning, is ever-present as particular operational points are reached or problems recognized.

C. The Establishment of the Long-Term Planning Process

For the sample of institutions as a whole, there was a considerable variation in the emphasis given to planning, the time frame into which planning effort was directed, and the mechanisms and individuals involved. Most--but not all--made some assumptions toward anticipating a subsequent year's budget, and had some procedure beyond simple presidential or board mandate or decision for assigning the anticipated revenue.

In using the term long-range planning, we are not referring to the process of setting objectives for the coming year for the purpose of exercising control, but rather to the serious effort to look some reasonable distance--i.e., one to four years--beyond the next budget year, and to encompass a concern for revenue generation as well as expenditures. This was an activity that characterized the strong institutions essentially without exception. It was also noted that most strong institutions had engaged in some formal long-range planning activity or activities over a period of ten years or more.

With origin so far back, it was not possible to obtain much accurate and consistent detail on the initial establishment of the planning process. It is nevertheless possible to extract some commonalities from the observations. First, there was some precipitating event--a persuasive consultant, an accrediting commission report, a president recognizing the need to anticipate prospective futures. Second, recourse at the beginning to outside assistance had generally been made, apparently both to reinforce larger recognition of the need to plan by using a prophet from another land, and to help the institution to establish some structure for the planning effort. Third, although the president had been continuously and actively involved, so had a variety of other actors--both key individuals and committees; and, the composition of planning groups as task forces, their mandates, and their procedures had varied from time to time, with periods of relative inactivity between formal efforts. Fourth, the current long-range plan was not the president's secret blueprint, nor an exercise by some individual or ad hoc committee to produce a document, but a set of objectives, goals, and criteria widely known by faculty and staff. Finally, as noted, the planning effort had had its origin some time back.

We believe that the institution that has not engaged seriously in the long-range planning process must start with a firm commitment on the part of its board and/or its president for anticipating the future and preparing for or modifying it. The apparent need for sustained effort over time noted for the strong institutions, and the variable mechanisms they used from one point in time to another, suggest that the establishment of a structure for planning was likely a hit-or-miss affair at first, and that structure was something that evolved as a function of the interaction between the president's style and contextual features of the campus.

1. Determination of a Structural Approach to Planning

The initiation of long-range planning conceptually and practically involves several elements. First, there needs to be either a varied and progressive experience to produce a structural approach to planning that all can live with, or a deliberate determination or selection of that structural approach. By approach, we refer to what elements are prescribed as fixed or given, and what elements constitute variables for decision. For example, planning can start with the given that a particular program will be created; the planning function involves a selection of means to carry it out. Or, a broader objective--e.g., to increase enrollment and tuition revenue by ten percent--can be

the given, with planning to involve both a number of sub-objectives and determination of means for attaining each. The development options can be broader still, to include the values or ideals that will be used to guide the projected specific objectives, broader objectives, and acceptable means; and, the values or ideals can constitute a given or be the subject of some deliberate decision process. Professional planners generally distinguish among these approaches, and take some stance as to which is most desirable. Logic and the site visit experience suggest, however, that the long-term objective is to achieve some degree of unanimity on values, goals, and means, and that the institutions and presidents vary in terms of capability and readiness to operate effectively at one or another of these levels.

2. <u>The Delineation of the Planning Process, and the Specification of Participants</u>

Another aspect of the initiation of the planning process is <u>the delineation of the process and the specification of the participants and their roles</u>. One consideration is what particular skills, insights, technologies, and capabilities exist and can be harnessed. Some of the institutions examined had little tradition of collegiality, or indeed would have been pressed to find many faculty capable of taking on some planning tasks. Yet, any campus consists of some individuals who want to maintain the status quo, some who want to find means to return to the past, some who want to build particular empires or change for the sake of change--when the idealized outcome probably needs to be a bit more profound, to concern what the institution can do to capitalize on and further develop its own resources (or, to become more effective by selective development and/or retrenchment). This recognition leads us to suspect that planning is more ultimately effective when it is viewed not just as a mechanism for institutional development, but also as a mechanism for development of the involved individuals as well. In any event, and whatever the existing traditions, mechanisms, and vulnerabilities, some deliberate choices need to be made in terms of what staff resources will be commissioned for carrying out the structural approach believed most suitable, with concern both for progress and results and for using the group involvement and deliberations as a mechanism for development of the individuals involved.

3. <u>The Development of Criteria for Assessment, and the Assessment of Current Status</u>

At all institutions, assessment of some sort goes on to some formal or informal extent at any decision point. In practice, it is almost always an

accompanying activity of the annual budgeting exercise.

Several general observations from our inquiry loom large immediately in distinguishing our strong or stable institutions from the vulnerable institutions. These are: (1) criteria for assessment were formally developed and specified before assessment and uniformly applied in the strong or stable institutions; (2) the strong or stable institutions more frequently considered cost vs. contribution as a critical element in the assessment of status of any program, function, or activity; (3) the budgeting priorities in these institutions were documented in terms of the institutional mission and income potential or usage, as opposed to the aspirations of the department or program head or representatives involved, and were qualified or supported by trends data; and (4) the channels for review, recommendations, decision and modification, and action were formalized, generally understood, and accepted as reasonable by all segments of the college community.

The criteria for assessment of status sometimes have come, in our institutions where some formal ongoing process for that purpose exists, from a strong and involved president, from an administrator serving an assessment role (as in a PME or IR function), or from outside contractor or consultant assistance. However, in the most visibly successful cases (with one exception where a faculty crying for direction received an effective, respected, and authoritarian president), a hard working committee of key faculty and administrators formed the hard core for developing or endorsing the standards and criteria for assessment.

For one institution, the evaluation of academic programs involved ratings on 18 different criteria.[1] For all 18 categories, operational procedures for rating were, of course, specified and standard. In spite of the detail and specificity of the process, the burden on the department heads and reviewers

[1] (1) faculty-program congruence; (2) demand by majors; (3) service to non-majors; (4) centrality to college mission; (5) library holdings (against ALA norms); (6) library acquisitions; (7) facilities and equipment; (8) demand for graduates; (9) locational advantage; (10) comparative advantage (aginst programs in four competing institutions in the area served); (11) public visibility (count of significant faculty/public contacts; (12) ratio of credit hours of instruction to number of FTE faculty involved; (13) credit hour production trend over the past 5 years; (14) FTE staffing trend over the last 10 semesters; (15) achievement of prior year enrollment target; (16) trend (over three years) in the ratio of direct costs and number of credit hours offered; (17) average cost per credit hour; and (18) percent of refunded to actual credit hours.

did not seem excessive. The infusion of the cost and production elements was a president-directed strategy to get department heads sensitive to these real life considerations in their own planning and requests.

The instance cited was the structure one institution in the strong category employed for academic program assessment. Other operations or functions are frequently similarly involved in other strong or stable institutions: for example, some of the institutions used the NACUBO self-study workbook indices and criteria to assess periodically the functioning of the fiscal program of the institution; student service functions were frequently evaluated against usage criteria or staff/service ratios. Many institutions develop formal individual performance evaluation criteria and most have regular procedures for this purpose; these can include contribution to program effectiveness, if the latter is nailed down. Consultants can be helpful in getting started, but in most instances, the specification of assessment criteria and their application had not been, if functioning smoothly and happily, the simple product of a system developed and installed in a brief period or by some assessment specialist with a package. Rather those systems functioning usefully were usually the result, as noted, of a deliberate and continuing effort of many key faculty and staff dedicated as much to the institution as to their discipline or role. The NACUBO workbook exercise noted was sometimes an exception; in many instances, however, the principal enthusiast, if any, was the person putting the NACUBO data together. Sharing in the formulation of the concepts and criteria seemed to be a powerful mechanism for taking the activity seriously, and for assuring utilization of the results.

The inclusion of cost (and in some instances, generated or potential revenue) factors is well demonstrated in the example just cited; and, though in most of the academic communities fiscal factors never totally dominated the criteria, they were usually present. Academic quality considerations were and are also important, though they appeared more difficult to operationalize. Institutional vitality and viability seemed to be negatively associated with lack of formal assessment, or with excessive focus on subjective and inconsistently based judgments of quality.

The direct association of the assessment activity with the budgeting process is, of course, a natural and direct outcome of assessment; procedures varied as to the final individual or forums for budgetary decisions and allocations, though in almost all instances this was a process involving initial

guidelines from the president and/or chief fiscal officer; assessment and formulation of priorities and dollars needed at the program or function level; the transmission of these recommendations to a management council or the Budget Officer; their or his recommendations to the president, who made decisions of his own for recommendations to the board. The board, in turn, ratified the recommendations or, in some few instances, imposed their own decisions. The president, in the final analysis, was usually the prime determinant of final action. We noted also that the successful institutions generally developed two budgets, one based solely on assured revenue, the other on solid prospects for particular soft monies.

The final distinguishing feature we believe to be associated with effective budgeting processes is the clarity of the channels and processes involved in preparing the budget recommendations. If the channels are clearly understood and the evaluation criteria and process fully known, the process is seldom controversial (though elements may be protested or contested). It is the secretiveness of the process or the exclusion of key individuals from a reasonable role therein that was observed to lead to disruptiveness or apathy in some instances, or in others simply to bad decisions as attested by subsequent institutional experience.

D. The Planning Process

Planning, as a discrete and ongoing function, can go on as a part of day-to-day operations, as the process involved in the allocating of budget for an operational year, as a projection of aspiration and milestones (or contingencies) for a "short-term" (usually 2-3 years) or a "long-term" (usually 4 to 5 years) in the future. Planning is also an inherent responsibility of each administrator, faculty member, and most staff persons, with regard to their own responsibilities. We are concerned here specifically with the matter of short- or long-term planning for the institution as a whole. For many of the institutions studied, it will come as a surprise to some readers that only a few had any mechanisms in place for planning beyond the subsequent year, or had any comprehensive, reasoned, creditable, or generally known short- or long-range planning document. Some of the state institutions had such planning documents, as a function of the state budgetary projection process; some state institutions found the essential short- or long-term projections a matter for system governing boards, usually based at least in part on institutional

requests or projections of particular aspirations. For some of the private institutions, planning in any systematic sense seemed preempted by a constant hand-to-mouth condition; if the crops were good, students enrolled; if a benefactor appeared, the spoils were eagerly received and divided. But, constant poverty or continued crises at some of the institutions examined seemed to indicate that better management or planning is not likely, unless the crisis becomes so severe and visible that major changes are made--e.g., a new president is appointed. Planning involves a definite commitment to formal activity concerned with improving the present condition by carefully developed decisions and strategies. Some of the institutions couldn't find time for this because of the demands of the series of crises resulting, at least in part, we must assume, from inadequate planning.

The experience of the strong and stable institutions, and their contrast with the vulnerable institutions, suggest that long-range planning involves a deliberate projection of what the institution is likely to experience, to sustain, to become in two, three, four, or five years into the future _if current trends continue, and if anticipated events over which the institution has no current control occur_. This is, at best, the probable future of the institution if no planning and consequent action take place. It is also a first step in avoiding surprise in a crisis situation, and in avoiding precipitous action with no time for more deliberate solution that would obviate associated consequences of the precipitous action. This process of projection not only helps to identify areas of "natural" growth and decline, but also may pinpoint particular hazzards or suggest particular opportunities.

This process permits an examination of what the institution is likely to be, and a formal consideration of whether this would be a satisfactory state of affairs. More importantly, however, it provides the basis for a reality-oriented revelation of what the institution may become, and suggests the actions and progressive accomplishments that may well get it there.

The formal short- and long-range planning documents collected vary somewhat in content and specificity; all include some specification of program development or modification aspirations (and none presented a procedure for wholesale retrenchment!). We believe that the essential elements include, in addition to the projection of trends in market, enrollment, revenue and expenditures, some statement of (1) program development or modification aspects deliberately derived from mission explication, and from projection of probable

and idealized futures; (2) the budgetary implications of anticipated costs, and strategies for revenue generation; (3) the specification of other instrumental needs and goals, such as enrollment, faculty development, and new acquisitions, facilities required, promulgation of particular images--in short, the correction or improvement of any conditions felt to be a deterrent to the full actualization and/or further development of the institutional mission; (4) the strategies and mechanisms for attaining objectives; and (5) the milestones by which attainment may be monitored.

While faculty in general, and particular administrative officials, should obviously have input into the planning process (and as a partial consequence frequently become instrumental to the attainment of its objectives), it seems not contrary to our observations and findings that the viable short- or long-range plan in the institutions examined is essentially the marching orders the president sets for the institution in general and for himself in particular. This is where his hindsight and foresight, his leadership skill, his ability to perceive consequences as well as impact, become crucial. We are aware that many good faculty or business officers have had a major part in institutional development and attainment; but, we found no instance where planning conducted solely as a committee function produced in itself anything more than holding an institution together in the absence of leadership, or where anything of consequence occurred under a delegate for the president while he or she was on leave. In the latter instance, a strong temporary executive sometimes shored up some gaping holes in the dike, but we did not find that the fields were fully planted and cultivated until a strong president was in place and active as an overseer.

E. The Implementation of Planning Priorities

In effect, implementation is a matter of ongoing management within the opportunities and constraints provided by the establishment of priorities and the allocation of resources. It may be carried out in a comprehensive way or in a fashion that more nearly approximates lip service. In this regard, we did note some instances where objectives established through some planning mechanism bore little or no relation to consequent actions or functions; such an observation suggests strongly that whatever planning took place in these cases, it was little more than a self-serving exercise, or not really planning at all, or that a document was prepared simply for show. The plan <u>should</u> be

the prescription and guide for specific actions that follow in a reasonable sequence; it has not served its potential if no coordinated effort is undertaken to follow through. It should also be the blueprint against which the value of unanticipated opportunities is measured.

F. The Assessment of Outcomes and Consequences

In a real sense, the elements outlined focus on two decision points for the institution. The first is: given our mission, aspirations, resources, opportunities, and constraints, where do we go? The second decision point comes at that later moment or period of appraisal of what has been accomplished, when the question is asked: What are the impacts and consequences, and what are the implications of the experience, through this assessment, for starting the cycle anew?

Thus, if the prior elements in the cycle are not faulty, there is little more to say except that mission changes as a consequence of time and circumstances as well as of deliberately contrived modifications, that assessment of needs for determining the following year's budget is not only an annual need and event, but an opportunity for assessing what has worked out well and what hasn't. Reassessment and new planning must take place in light of continuing experience.

One matter is of specific concern, and should be highlighted. It comes not so much from our observations of what appeared to be good practice, but from what we found we had to do in trying to come to grips with evaluating developmental progress. That is our rather simple conclusion that if all that the institution had done or has not done places or leaves it in fiscal jeopardy--if the trend in current fund balance is negative, if current or necessary resources cannot be afforded, if enrollment drops to a level insufficient to justify the minimum critical mass of courses and faculty--then any planning or developmental process employed has failed. This suggests that the assessment of outcomes and consequences cannot be adequate if only the quality of the developmental program, or only developmental activity outcomes, are assessed: we saw some exemplary developmental activities that could expire because, in the totality of the institution, it was likely that the institutional base could not maintain itself for a time sufficient to reap the ultimate benefits. And, we recall the exemplary Native American program, a marvel of uncontestedly supreme accomplishment in all respects, nested in an institution where other forces related to revenue generation and the success of other moves toward

elitism may inevitably make the institution as a whole unattractive to the Native American students it now serves so well.

Where fiscal crises come as a surprise, or when, whatever the external circumstances, they are found overwhelming, the formal or informal developmental process has broken down. We do not mean, of course, to assert that any developmental activity or function should not be assessed in terms of its own intrinsic merit, along whatever dimensions are feasible, nor that one should back away from speculating on its contribution, however small or diffuse, to the bottom lines. But we suggest that the bottom lines are, after all, what determine the life or death of the institution, or its reduction to brain-dead status and maintenance only by some life-support system. Realizing fuller potentials, or (if that is not possible) the effective management of decline, are important considerations. But the goal of development should be neither to find a way to survive with disease nor to develop muscles that then are never put to use; it is to enhance the viability and impact of the institution on the students, faculty, and society it serves. This is not possible without adequate generation and management of fiscal resources.

Part Five: Executive Summary

Chapter XI

Executive Summary: The Anatomy of Institutional Development for Higher Education Institutions Serving Students from Low-Income Backgrounds

A. Nature of This Statement

This is a summary of the final technical report, provided in the preceding ten chapters, of case studies of the developmental status and fiscal viability of 51 institutions of higher education, substantially funded in 1981-82 and the 4 or 5 prior academic years under Title III of the Higher Education Act. The study was conducted under contract with the Department of Education (ED) by the Research Triangle Institute (RTI), with initial assistance from its subcontractor, the Center for Systems and Program Development (CSPD), over the period from October 1, 1981 through October 31, 1983. Authority for the study is the General Education Provisions Act of 1974 (20 U.S.C. 1226C), which requires the Department of Education to define or otherwise determine goals and objectives for all Federally supported education programs. The inquiry grew out of an earlier formal examination of the intent and purposes of the original 1965 legislation, subsequent amendments and reenactments, and related regulations; and an evaluability assessment of program management, conducted under contract with ED by RTI and CSPD in 1980-81, that is elsewhere reported.[1/]

B. The Enabling Legislation for the Institutional Assistance Program

Title III of the Higher Education Act is the major source of direct Federal support to U.S. institutions of higher education, with FY 82 grant awards totaling $124,416,000, involving 537 colleges and universities as prime grantees, in the 1981-82 academic year (the allocation for the following year was $134,416,000). The original legislation was Title III of the Higher Education Act of 1965; the current authority is Title III of the Higher Education Act of 1980 (Public Law 96-374). The stated purpose is "to improve the academic quality, institutional management, and fiscal stability of eligible institutions, in order to increase their self-sufficiency and strengthen their capacity to make a substantial contribution to the higher education resources of the Nation," (HEA Title III, 1980, Part A), and, "to provide for a program of short-term federal assistance to strengthen the planning, management, and fiscal capabilities of institutions with special needs" (HEA Title III, 1980, Part B).

Institutions must establish eligibility for award on the basis of a formula emphasizing high proportions of students from low-income families, and

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1/ Davis, J. A., & Ironside, R. A. An Evaluability Assessment of the Strengthening Developing Institutions Program. Research Triangle Park, NC: Research Triangle Institute. Report No. RTI/2102/01F of September 1981.

limited institutional resources as evidenced by modest per-student educational and general expenditures. Awards are competitive for eligible institutions. Developmental activity may be proposed in the following areas prescribed by the statute: faculty development; funds and administrative management; development and improvement of academic programs; acquisition of equipment for use in strengthening funds management and academic programs; joint use of facilities such as libraries and laboratories; and student services.

Administrative responsibility for the Title III Program is vested in the Division of Institutional Development of the Office of the Assistant Secretary for Postsecondary Education, U.S. Department of Education.

C. The Purpose of the Contracted Inquiry

The general purpose of the inquiry was to determine in what ways specially supported developmental activity--through Title III or other external sources--may contribute to the improvement, self-sufficiency (independence from continuing Title III support), and fiscal viability of higher education institutions of limited resources serving low-income students; how this external support contributes; and what general institutional practices are associated with improvement of institutional condition in terms of quality of educational program and prospects for survival. More specifically, study objectives were: to determine the general factors associated with the direction of overall development (growth; stability; stagnation or decline) for institutions receiving substantial Title III support; to identify developmental activities that seemed to be serving their function well, in terms both of Federal intent and institutional needs and purpose; to ascertain the types of impacts and consequences that these activities might have on institutional condition; and to identify the factors associated with positive impact and consequences.

The overall objective was <u>not</u> to evaluate the impact of the Title III program, the quality of program management, nor institutional compliance with the rules and regulations. This was neither our mandated purpose nor our intent. Rather, the study was directed toward providing a better basis for understanding the dynamics of institutional development, as a guide for institutional and program managers concerned with maximizing the potential of the Federal investment for achieving the intent of the legislation.

D. The Sample of Institutions and Developmental Activities

1. The Sample of Institutions

Twenty publicly controlled and 31 privately controlled institutions were selected at random from among those with prime Title III grants effective in the 1981-82 academic year, that had been continuously funded for the 4 or 5 preceding years, and that had received annual awards averaging $200,000 or more per annum over that period. The sampling strategy was directed toward identifying institutions that had had significant support over a sufficient time so that detectable impact on institutional condition and viability would seem reasonable.

The group of 51 public and private institutions included 27 traditionally black and 24 non-black institutions, and 10 2-year and 41 4-year institutions. Head-count enrollment in the fall of 1980 ranged from about 475 to 9,200. The founding dates ranged from 1838 to 1967; median 1980 per-student educational and general expenditures were approximately $4,200 for the public 2-year institutions, $3,600 for the public 4-year institutions, and $4,800 for the private 4-year institutions.

2. The Sample of Activities

Each institution involved was asked to nominate up to 12 developmental activities that had "made a positive difference," with activities to be drawn from each of three areas or domains: fiscal, administrative, and educational and support program improvement. From these nominations, one activity in each of the three domains was mutually agreed to for intensive study. Thus the sampling of activities was decidedly not random, but purposive in terms of study intent to identify and understand success experiences.

Activities selected for special review included 48 in the administrative domain, 39 in the fiscal domain, and 63 in the program domain. Administrative improvement activities involved management information system development (10 activities); planning, management, and evaluation system development (11 activities); institutional research (11 activities); long-range planning (5 activities); and 11 miscellaneous activities (administrator training, self-study, program evaluation, etc.). Fiscal improvement activities included fiscal accounting system development (22 activities); resource enhancement and development of fund raising capability (11 activities); and improvement of fiscal planning and management (6 activities). Program improvement activities involved development of new programs or majors (10 activities); strengthening or upgrading existing programs (12 activities); enhancements to or improvement of instruction (16 activities), and student support services, (including basic skills development as well as counseling, tutoring, etc.) (25 activities).

3. The Conduct of the Site Visits

Site visits of 2 days' duration were made, during the 1982-83 academic year, to each of the 51 institutions by teams of three specialists: one in fiscal management, one in higher education administration, and one in program evaluation. Visits were preceded by the collection and study of various documents of ED and public record, including Title III application and award materials; a 5-year history of revenue, expenditures, balance sheet items, enrollment, student aid, and similar data from the annual Higher Education General Information Surveys (HEGIS) and reports of Pell Grant and other campus-based student aid awards; college catalogs; and other relevant materials volunteered in advance by the participating institutions, such as presidents' annual reports, self-studies, accrediting commission reports, and the like. These documents were supplemented by materials reviewed or collected on site, including, in particular, the most recent independent annual audit report.

In the visits, each specialist conducted semi-structured interviews and made directed observations to accomplish two objectives: (1) to obtain an understanding of the history, functioning, and condition of the institution in the assigned domain; and (2) to review in depth the preselected developmental activity in his or her area of interest and expertise, to determine its history,

nature, impact in terms of its objectives, and its consequences for the broader development of the institution. Individual and group interviews were variously conducted with the president, the chief fiscal and academic officers, the other administrative officers and staff members, the Title III coordinator, the selected Activity directors and their staffs, and selected faculty and students; the number of individuals interviewed ranged generally from 15 to 30 per institution.

4. The Foci of the Analyses

The detailed reports of site visitors and the various materials collected were studied intensively by three analysts representing the three domains, and who had been involved (with other staff and highly specialized consultants) in the site visits. Two discrete foci were involved in this review. First, at the overall institutional level, attention was given to abstracting general factors associated with program quality, good administrative practices, and fiscal viability, to provide an overall evaluation of institutional development and viability. Second, the developmental activities were examined to determine the factors and conditions associated with their specific impact and consequences.

E. Summary of Findings: Institutional Level Analyses

1. Strategy for the Institutional Level Analyses

For the institutional level analyses, institutions were first judged, using criteria reflecting their progress over the 5-year period and their current condition, in each of the three domains, and placed in one of four categories: "strong" in all domains, "stable" or "neutral" in all domains; "vulnerable" or "at risk" in all domains; or "mixed," with variable ratings in the three domains. This yielded 9 strong institutions, 20 stable institutions, 8 vulnerable institutions, and 14 with mixed ratings. The distribution of traditionally black institutions among these categories did not differ significantly from the distribution of non-black institutions; public institutions tended strongly to fall in the stable and mixed categories. The most distinguishing criterion variable among a large number applied in reaching the judgments was the 1981 unrestricted current fund balance; median values for the institutions in the four groups were, for the strong institutions, $314,000; for the stable, $161,000; for the mixed, $92,000; and for the vulnerable, minus $295,000. At least two of the strong institutions had attained that condition by effective retrenchment, rather than by growth.

The strategy for the institutional level analyses involved the abstraction of factors--circumstances, forces, actions or inactions, etc.--that distinguished the institutions in the several groups, and that might explain the differences in developmental status.

2. Findings: Factors Associated with Institutional Viability

In the contrasts of the strong with the vulnerable institutions, two principal distinguishing factors emerge. One has to do with the central role and distinctive posture of the president; the other has to do with the process of planning.

a. The Distinctive Functioning of the President in the Strong Institutions

The President as a Forceful Leader and Manager: The presidents of the strong institutions emerge clearly as a principal force in institutional development. They share a number of characteristics that appear crucial to the strength and viability their institutions have attained, which involve qualities of both good management and of leadership. They are clearly the prime decisionmakers for the institution, realistic in their assessment of its problems, but creative and positive with regard to its potential. Their priorities are well-ordered, exhibiting a keen sense of mission and market, and its match with what the institution has to offer. They are knowledgeable about success experiences on similar campuses. They think not only in terms of potential impacts of internal and external actions and events, but also in terms of the broader consequences for the institution. They tend to have a good sense of priorities for their own time and for effective delegation; the chief fiscal officer is responsible for timely cost accounting systems and effective controls, and the chief academic officer for implementing programmatic change with concern for quality and for faculty development, morale, creative responsiveness, and productivity.

Presidential Involvement in Fiscal Matters: The presidents of the strong institutions have a pervasive fiscal awareness, which forms a basis for monitoring of costs on the one hand, and for search for new revenue on the other. They are not only aware of fiscal priorities, but devote a substantial amount of time to revenue generation, whether in terms of new or expanding student markets, cost efficiencies, or new sources of revenue, and serve as the individual most actively responsible for improvement of revenue condition. Although the presidents generally delegate responsibility for qualitative aspects of the educational and support programs, they are keenly aware that the educational program--its quality, attractiveness, relevancy to constituents, and impact--is what they have to sell and further enhance. Also: they enjoy the relatively unaminous respect of their faculty, and appear effective in dissolving any competing faculty cliques.

Presidents' Relationship with their Board and Administrative Officers: The presidents of the strong institutions assume a leadership role in the effective definition and development of the role of their board of control, further mobilizing this group to institutional purposes. They have selected their own team of senior administrative officers; there are no vacancies in critical positions. Administrative structure and responsibilities are clear; the numbers of senior administrators reporting directly to the president are generally restricted to five or ten. The presidents view their responsibility as that of managing the institution, and that of the faculty to develop effective programs and to be effective instructional agents with the students.

The Presidents' View of Title III: With regard to Title III, the strong institution presidents have been personally active in familiarizing themselves with the legislation and regulations, fitting particular priorities therein, overseeing applications, assuring strict compliance with the definitions and ground rules, and monitoring progress. Significantly, whatever their stance on the question of Federal subsidy vs. support toward development of self-sufficiency through Title III, they have contingency plans for any interruption of support, and deliberate agendas for an increasing assumption of developmental

and operational costs. In short, they take an active personal responsibility for institutional development, assuring that their agents operate in a structure concerned not only with disciplinary integrity, but also with attention to revenue potential vs. costs, milestone attainment, and timely and accurate information in this regard.

b. The Role of Planning in Institutional Development

The distinguishing process factor for the strong institutions is an emphasis on effective long-range planning, and on the revenue and cost implications of trends, anticipated events, and projected changes. This involves, first, a serious concern with mission, involving what the institution has to offer, the particular subpopulations it serves and can serve, the distinctive values and strategies its educational program espouses, the role it serves for its controlling authority, and its broader public responsibilities. There is also a strong sense of trends and where these--and prospective events and circumstances--will take the institution without deliberate effort. Although many of the institutions in the sample did not have strong traditions of collegiality, some framework for faculty and staff participation is evident, with the planning process serving several functions: development of criteria for assessment of progress at the activity and program level as well as at the institutional level; the process by which this will be applied; the use of this process to establish priorities, goals, and decision rules; and the total planning enterprise to constitute a staff development function as well as an institutional development function.

c. Other Factors Associated with Institutional Viability

Proactive Concern with Mission and Student Markets: Other characteristics of the strong, as opposed to the vulnerable, institutions, attest to or are instrumentally compatible with the two foregoing elements. For example, the strong institutions tend, in anticipating or reacting to challenges or opportunities, to be proactive rather than reactive. New ventures build on existing strengths; rather than proliferate the mission, they are directed toward refining and enhancing it. In new program development, there is careful attention to market factors; in general, the institutions are moving in the direction of more pragmatic and vocationally-relevant program offerings, rather than holding blindly to the more traditional liberal arts and dominant professional areas (e.g., education, nursing) of one or two decades ago.

Management Emphases in the Strong Institutions: There is an emphasis on having fiscal data and other management information systems up, active, and timely, with administrators keeping themselves constantly up to date in their area of responsibility. Developmental activity managers are aware of the standards and criteria for critical decisions in regard to their ventures and performance. Major developmental thrusts are placed, within the institutional organization, where the operational responsibility will later reside, not in some separate special component. There is deliberate effort to make faculty and staff involvement and support rewarding and conducive in terms of both the facilitation of their job performance and of their personal development; faculty are something considerably less than the experts who call all shots, though their opinions and the lessons they learn are listened to by the president and relevant officers. Outside assistance is used where needed, and deployed

toward internal development of capability rather than continuing purchase of that capability as a service.

Characteristic Response of Strong Institutions to Title III: The Title III activities at the strong institutions are viewed as elite enterprise, not as adulterations of quality or values, nor as a compensation for mediocrity or its tolerance. Good business procedures are followed rigorously, and there is strict compliance with the rules and regulations of the Title III program; there is no shading or bending the rules, however reasonable any purpose therefor may seem. And, there is a tendency to respect and learn from management procedures required by Title III, and to adapt and extend them to other ongoing activities of the institution. The proportion of educational and general expenditures represented by Title III tends to be lower than in the vulnerable institutions, seldom exceeding 8 or 10 percent in the strong or positively developing institutions.

The Role of the Title III Coordinator: The two most significant observations as to the roles of the Title III coordinators were: (1) individuals in this role represent a considerable variety of backgrounds, competencies, and levels; and (2) the effective coordinators more frequently serve a staff, rather than a line, function--that is, they are coordinators. In the strong institutions, they tend to report directly to the president, or to the senior administrative officer who reflects and takes responsibility for implementing the president's developmental thrusts. They are active in assuring that the rules are followed, and have a respect for their developmental activity directors and the assigned grant monitors in Washington.

3. Contrasting Characteristics of the Vulnerable Institutions

For the vulnerable institutions, the obverse of the factors characterizing the strong institutions tends to obtain. That is, for example, the presidents are frequently surprised by fiscal problems when they erupt; involvement in funds generation or fiscal controls is infrequent or poorly directed; concerns are with present problems as they emerge, with little attention apparent to future exigencies or opportunities. Planning is preempted by the constant need to attend to crises; any mission statement or long-range plan appears to be a pro forma exercise rather than a deliberate effort. Fiscal data systems tend to be flawed, with problems both of accuracy and timely production. Some institutions hold blindly to the programs and values of two or three decades ago, with any new programs with potential for attracting students eroded by internal opposition. Though heavy investments in external assistance have been made, there is little residue to attest its effectiveness. There is no game plan for dealing with such an event as an unexpected cessation of Title III funds; there is either limited understanding or deliberate violation of Title III rules and regulations, and the strong faculty on these campuses tend frequently to view Title III as a reward for mediocrity. The Title III coordinators, and usually many of the activity directors, appear apprehensive about their futures.

F. Summary of Findings: Activity Level Analyses

1. Important Variations Among Activities Reviewed

The developmental activities nominated, selected, and studied intensively all represented, as noted, developmental effort that the institutional hosts felt had served them well. Nevertheless, they varied qualitatively in terms of the relevance of their objectives to mission and development; the time required for development; the degree to which their objectives were attained; and their detectable impact on the broader concerns of program quality, management effectiveness, and improvement of fiscal viability. The investigators paid considerable attention to the degree to which the institution had prepared realistically for--or was in the process of--incorporating the results of the development into the regularly supported program or functions; this served as a principal criterion of success of developmental effort, when it occurred together with general signs of institutional viability, such as enrollment increase, improved standings on the fiscal indicators, and improving risk position. Thus, in spite of the intent to focus on the success stories, there were again opportunities to contrast activities with similar objectives and strategies, and to use these contrasts to obtain a better understanding of the factors moderating their successful utilization.

2. Factors Associated with Effectiveness of Developmental Activities in General

Although the developmental activities represented a considerable variety of purposes, content, and strategies, there were a number of common factors associated with their judged effectiveness. The successful activities represented, for the most part, priorities recognized two or more years prior to their inclusion in a Title III or other funding appeal; they had stood a test of time and had emerged as reasonable priorities, some planning and effort had already been put into them, and the institution was ready to proceed in earnest at Title III application time. The active involvement and encouragement of the president, and the fit within his priorities as well as with any long-range plan, was apparent; as such, there was an integral relation to the constantly evolving mission. The objectives tended to be modest and realistic, rather than excessive. There was, as noted earlier in another context, a preconceived plan for their progressive incorporation or adoption into the regular institutional fabric. The real costs of development of operation were anticipated, with contingency plans for events such as unexpected cessation of funding; grant funds were applied so that their unexpected loss or scheduled termination would pose the fewest problems for the institution. Progress was monitored by the appropriate administrator and the president, as well as the Title III coordinator; milestones were taken seriously, and criteria for abortion or diversion, or change in activity director, were generally crystallized in advance. Developmental responsibility tended to be vested in competent individuals, with a good sense--on their part as well as that of their supervisors--as to when outside help was needed, and how to assure that competent assistance was found.

3. Factors Associated with the Effectiveness of Developmental Activities, by Activity Type

Findings with regard to particular activity type are not possible to summarize adequately within the space restrictions of an executive summary. Some highlights, however, may be noted.

a. Developmental Activities in the Administrative and Fiscal Management Domains

The Management Information Systems (MIS) development activities--whether focusing on fiscal data or other operational functions (e.g., transcript generation, course scheduling, personnel accounting)--appeared most variable in their progress. General factors noted--such as endorsement and involvement of president, good outside assistance, technically competent activity director--were most visible forces, but also significant were the openness and responsiveness of the activity director to the needs of his campus constituents; the careful development of particular priorities and software options and then attention to choice of hardware; the maintenance of formal systems as back-up until the new system was proven; and attention to defusing opposition to such systems, frequently through training programs for the adversaries as well as the advocates on campus.

The Planning, Management, and Evaluation (PME) Systems development activities, though frequently associated with MIS development, turned out to be a rather mixed bag, in that the label proved to encompass a considerable variety of activity; the focus ranged from clarification of mission to cost-benefit analyses to performance evaluation to developing a management by objectives procedure. That is, one or another component of a PME system was involved, but the several functions were infrequently integrated in any systematic way. The most frequent positive impact judged by internal observers as well as the site visitors was the promulgation of cost analysis procedures to those with budget-making and monitoring responsibilities. It was felt, however, that time and strategic intervention may be needed, and some presidents more fully convinced of the value of a systems approach to planning and improvement of fiscal management, if this effort is to be maximally and efficiently successful. Still, a number of presidents felt the values and procedures espoused by this kind of activity had been the signally most important contribution of Title III to their effectiveness as developmental agents, and to institutional improvement.

The institutional research activities were among those activities most likely to be abandoned--either upon cessation of funding, or the achievement of a good MIS. The effective functions in this area involved the availability of the MIS capability, the recognition of need by the president (and other managers) for particular compilations of data, and the responsiveness of the researcher to these requests. Deleterious factors appeared to be focus on routine production of reports of the researcher's choosing, and/or focus on assembly of data for required reports such as those for HEGIS, state authorities, or the United Negro College Fund.

The long-range planning activities reviewed, though few in number, were perhaps the most closely associated of any activity type with the developmental status rating of the institution. The successful efforts were of some long standing (8 to 10 years), with initiation considerably predating Title III or

other external support; origins included self-study or accrediting commission reports, or a new president placing a priority on planning. In the successful efforts, there was strategic involvement of a variety of faculty and staff, in a context of awareness of institutional nature and need; and, attention had moved, as these efforts matured, from production of a product to planning as a constantly developing process, as new tools were developed, new agendas for input data generated, and plans updated.

The resource enhancement activities--or activities concerned with developing new sources of revenue--generally focused on such matters as developing planned or deferred giving campaigns, development staff training, and/or alumni support development; in most instances, success was relatively modest. The effective efforts were those with clear objectives and pre-stated goals, with presidential support and involvement of faculty (and students), judicious use of consultants, an effective activity manager, and good follow-up.

b. Developmental Activities in the Educational and Support Programs Domain

In the program domain, the most exciting developmental activity--and the most frequent and obvious contributor to such critical areas as revitalization of mission and maintenance or increase of enrollment--was probably that concerned with new program development. The successful efforts had been preceded by a germination period, and not infrequently by some market survey; the fit with or relation to mission was clear-cut. Heavy use was made of existing strengths, as opposed to using the development to import or otherwise add all strengths required. Outside resources available were carefully noted and integrated. New programs generally represented priorities determined by the president, as opposed to faculty entrepreneurs; where origin was a product of faculty planning, presidential support still appeared critical for success. As for many other successful activities, particularly in the program area, the successful ventures were those with partial internal fiscal support from the beginning; Title III funds were also frequently supplemented by funds from other sources. A final observation in this area was that even the most successful new program development efforts required one, two, or perhaps more operational years to gain momentum, or to determine how well they might indeed be subscribed over the long haul.

Developmental activities designed to strengthen, refine, or update existing programs were, in the successful efforts, the result of deliberate concern to improve the quality and relevancy of academic areas that were considered clearly mainstays, or vital to what the institution was all about. Initiation came from the president or, more frequently, from a strong faculty member or department head (but with the president's endorsement); there was early planning and dialogue with professional societies, advisory boards, or special consultants The successful program strengthening activities were frequently associated with setting accreditation (of the school or department involved) as a major goal, with the activity director manifesting careful planning and a catholic sense of the significance of upgrading.

Enhancements to the instructional enterprise embraced a variety of activity concerned with improvement of the content, instructional methods, and supporting materials and resources for the academic/technical program as a whole: development of competency-based instruction paradigms; curriculum review and revision;

faculty mini-grants for developing courses, materials, or strategies; service structures such as internships; or the creation of support centers (learning resource centers, CAI facilities, instructional media development services, etc.) Their origins were rooted in concern with improving opportunities for students to learn by altering instructional approaches; their impetus and medium involved the improvement of faculty competence, morale, and concern, as well as the revitalization of the curriculum and instructional methodology. And, in contrast to many other developmental activities, their origin and early leadership tended to be with the academic components--faculty, department heads, or academic dean, as opposed to the president.

Developmental activities that were classifed as <u>student support service development</u> were the most frequent kinds of activity nominated for intensive review. This category included 8 activities concerned with instruction in basic skills (or "developmental studies"), and 17 <u>special service enterprises such as comprehensive counseling career services and placement, specialized retention programs, academic advising, and special assistance for a minority group</u>. They differed from other activities in that with only two exceptions, Title III had contributed all external funding.

Perhaps as a function of the variety of approaches (and indeed, a need to tailor these activities to each campus in terms of its unique needs and values), there are few commonalities that distinguish the successful student support service efforts. These include a competent and dedicated activity director; special effort to assure that the effort is viewed as one of substance, rather than as a salvage operation; coordination with other efforts of similar purpose; establishment of realistic objectives at the beginning; and integration into the academic structure (or effort to assure its respectability with the faculty who are also consumers or beneficiaries of its products). These activities were invariably concerned with improving student performance and reduction of attrition, yet adequate in-house evaluation was usually preempted by design problems. (Nevertheless, the activities that engaged in careful record keeping and follow-up seemed superior in general.) Finally, it is noted that these efforts present particular problems of later cost recovery--either in fact, or in terms of producing clear evidence of improved retention and revenue that may be produced. Yet, the dedication of the institutions to these efforts, the advocacies of the directors and the faculty support they had been able to gain, seem to promise their continuation; the exceptions are principally in those instances of failure to gain faculty and presidential support, or to make participation for students respectable.

G. <u>Other Observations with Particular Relevance for Title III Policy and Procedures</u>

Apart from the findings related to factors associated with successful development at the institutional or activity levels, some other observations of potential import for Title III program policy and management emerge. These are concerned with: the public vs. private college development challenge and prospect; traditionally black institutions as a special case; the need to ascertain reasonable time for development in the different activity areas; and the differential contributions and options for later operational support (and contribution to institutional viability and self-sufficiency) of different kinds of developmental activity.

1. <u>The Developmental Proposition for Public vs. Private Institutions</u>

With regard to the public vs. private institution issue, it is believed significant that the public institutions tended to fall in the stable or "mixed" developmental categories of developmental status, rather than in the strong or vulnerable categories. Given public priorities and public support, the public institutions were generally not in any serious risk position; these institutions could have a president or chief fiscal officer in trouble, but the institutions themselves seemed not to be in real jeopardy. At the other end of the continuum: while private colleges can develop an operating surplus for future development or cushion, the public institutions are focused on meeting their budgets precisely; underspending is as much a sin as overspending is an impossibility. It was also noted that while private college boards are active advocates of their institutions, public boards (1) frequently represent other institutions as well;(2) generally put public needs ahead of institutional aspirations; and (3) are frequently subject to or involved with other decisionmakers and controllers of development, e.g., coordinating boards, state budget authorities, or the general assemblies. No instances were found where local controls were not effective in assuring that all efforts be in accordance with state plans (or personnel or purchasing policies, for that matter).

This means that development as a function of external support is a different proposition for the public colleges from what it is for the private colleges. At the least, none are in danger of closing in a way that Title III could prevent; and funds will be found for what the states or other public funding authorities see as prime needs for programmatic development, albeit at the possible expense of other existing programs or budget line items. These are powerful moderators of development with positive and negative implications--and what is positive depends on one's particular vantage point. This is not to say that Title III has had less impact or accomplished less in the public institutions; it has obviously provided investment capital that has been well used. Some instances were noted where success of a Title III activity had convinced the state budget authority to provide the operational funds required. But other stronger factors determine survival or risk position than what can be accomplished through Title III, which serves to sweeten the pot, not revitalize the institution.

2. <u>The Developmental Proposition for Traditionally Black Institutions</u>

With regard to black institutions as a "special case," it was noted that good management is good management, good instruction is good instruction, and that white institutions have no corner on these markets. Per-student educational and general expenditures tended to be higher for the black institutions than their non-black counterparts, which may be a function of the possibility that larger proportions of aid-eligible students make tuition increases less threatening, or a fluke of the sample (since focus was on the most heavily supported institutions). Traditionally black institutions do have unique problems: e.g., erosion of faculty and the better qualified students by their movement to desegregated traditionally white institutions. The strong black institutions appeared to have a new and more profound awareness that although any graduate now has an edge on finding employment in areas formerly restricted for blacks, he or she must be as competent as the professional peers to hold the job; a renewed and sophisticated emphasis on learning

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and performance seemed to be emerging as perhaps the special current distinctiveness of the traditional mission of the predominantly black institutions in the non-segregated higher education community.

3. <u>Time Required for Effective Developmental Activity</u>

With regard to time required for effective development: this varies, of course, as a function of the kind and complexity of the particular developmental activity. Yet, within particular sets of a given activity (1) more time than recognized by the Title III award period generally tended to be needed (although this did not pose a severe problem for the strong institutions); (2) time for development tended to vary substantially from institution to institution; and (3) longer time (than that required by other institutions) to reach operational status frequently was associated with activity failure or institutional lethargy. This combination of circumstances tend to make endpoints obscure, and some activities can be continued through such devices as renaming or adding new components for development, vitiating Title III intent. It was recommended that some formal determination be made of what constitutes reasonable time for development in particular areas, for use in monitoring, for determining when technical assistance may be needed, or for decisions on non-competitive continuation awards or new applications.

4. <u>The Potential Contribution of the Developmental Activity to Institutional Viability</u>

With regard to the differential potential of developmental activities to attract or generate operational support, it was noted that in the field a limited number of options exist, with these options a function both of activity characteristics and their host institutions. To be specific: although some activities are of a one-time only nature or permit a higher order of functioning with no difference in costs, some upon completion of development do involve new continuing operational costs. These can be met in a limited number of ways: by the generation of new revenue through the operation of the activity; by cost savings the new activity generates; by displacing dollars needed from activities considered less desirable; by using the activity success or developed capability to attract new support from regular sources (if a public institution), or from new sources; or by separate activity for generating new revenue in general, through tuition increase, new external funding sources, improvement in endowment income, etc.

It was also noted that although the developmental activity is the unit of investment, <u>significant</u> impact of any <u>specific</u> activity on the broader institutional condition with regard to viability is generally implausible, and frequently obscure, given the complexity of factors constituting fiscal viability; and, that some activities--e.g., qualitative improvements in program, additional effort to provide useful academic support services to students, or computational systems that improve efficiencies but tempt the addition of new desirable functions or require hardware upgrading--are more likely to generate additional costs than new revenue or cost savings. It is believed that although the responsibility for selecting developmental activities for investment and pursuit is properly vested with the institution, neither institutional representatives nor Title III program managers should assume that <u>any</u> allowable activity provides developmental promise for <u>any</u> institution. More awareness is needed as to of the probable impacts of specific activities on institutional

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condition in terms of costs or revenue potential. This is a significant lesson that is believed to have been learned from the presidents of the strong institutions.

5. Development as an Institutional Proposition

If the concern with institutional development is taken seriously, the study findings strongly suggest that this concern must encompass the fiscal and enrollment bottom lines for the institution. It was no surprise that the institutions building attention to fiscal impact into every decision were those most likely to be moving positively, or to be secure in their own right. It would seem critical, for application review, year to year monitoring, and evaluation purposes, that Title III program management, like the strong institution presidents and their boards, give more formal attention to indicators signaling progress at the institutional level in terms of increased fiscal viability and improved risk position. Winning the developmental battle is threatened if program quality suffers; both quality and the institution are lost if expenditures exceed revenues for very long.

Appendix A

Study Procedures

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Appendix A

Study Procedures

A. Origin and Rationale for the Study

In October 1980, the U.S. Department of Education contracted with the Research Triangle Institute to conduct an evaluability assessment of the Institutional Assistance Program (then the Strengthening Developing Institutions Program) created by Title III of the Higher Education Act of 1965. That assessment, completed in September 1981, recommended that a second phase evaluation be focused on discrete developmental activities or strategies that have been found to serve the essential purposes of the enabling legislation in a significant manner. It was reasoned that explication of successful practices would help institutional and program management improve and expand the impact of this significant institutional support program.

The authority for the evaluation is the General Education Provisions Act of 1974 (20 U.S.C. 1226c), which requires that the Department of Education identify reasonable objectives for its programs.

The general purpose of the enabling legislation, as defined by the Higher Education Act of 1980 and current regulations, may be stated as: the improvement of fiscal viability and self-sufficiency of institutions serving low income students, through improvement in fiscal management and support, in numbers of low income students served, and in quality and appropriateness of academic/technical or special support programs. The study highlights developmental activities supported by (or similar to those supported by) Title III, which have, in the experience of the involved institutions, served those institutions and Congressional intent in a satisfactory to exemplary manner. Thus, the focus of the study was not on what has or has not been achieved by the Title III program in general, but rather on the range of factors involved in successful developmental programs carried out by institutions receiving Title III support. Defining an "anatomy of success" in institutional development should be maximally beneficial to Title III program management in the application/review process and in providing appropriate and meaningful technical assistance; it should also be particularly useful to Title III-eligible and other institutions making decisions about development priorities and strategies.

Given the basic purposes, it was determined to engage in case studies of selected developmental activities through site visits at a sample of institutions, and also to review, on a case basis, the management and program structures at those institutions as the context in which the activities operated. This latter intent is particularly important, for the ultimate purpose of any developmental activity is to improve the quality and viability of the institution. Thus, particular attention was paid to the trends in factors signalling overall fiscal health, and to current status and quality of fiscal, management, and program affairs.

B. Population and Sampling of Institutions

The size of the institution sample was arbitrarily set at 50. This was thought to be large enough to represent a variety of institution types within the Title III umbrella and a wide array of developmental activities, yet small enough to permit an activity case study approach through site visits within the necessary time and cost constraints. This section outlines the sampling procedure for the 50 institutions--although a later addition, principally because one institution had declined and later agreed to participate, brought the actual total to 51 in the study itself.

In selecting a sample, it was felt that the issue of public versus private control had particular implications for institutional purpose and use of developmental funds, and that a sufficient number of each kind of institution should be selected to permit contrasts. It was arbitrarily agreed that the sample would include 20 publicly controlled and 30 privately controlled institutions.

The institutions of concern were defined as those that were the direct recipients (as opposed to consortia) of Title III grants, made in fiscal year 1981 or earlier, active in the 1981-82 academic year. Examination of records maintained by the appropriate ED contract authority (AMPS) identified 537 institutions meeting this basic criterion.

Beyond this, it was reasoned that any detectable impact of Title III funds would probably require continuation in the program over time, and something more than minimal investment (as in the generation of a developmental plan or incidental support of a few activities). Accordingly, it was decided to restrict the sampling pool to institutions in the population as defined that (1) had received funding grants for institutional (as opposed to consortia)

activity for at least 4 of the 5 years preceding the 1981-82 academic year; and (2) had received an average annual award for investment at the institution over the 5- or 6-year period of $200,000 or more. For practical reasons, an additional restriction was to keep the sample within the contiguous United States. Applying these criteria to the population of 537 institutions with prime grants in 1981-82 yielded a group of 77 public and 81 private institutions (a total of 158).

From the resulting public group of 77 institutions, two samples, each of 20 institutions and designated prime and backup samples, were drawn by strictly random means; similar procedures were employed in establishing prime and backup samples of 30 privately controlled institutions from the 81 meeting the criteria. Letters (signed by the Deputy Assistant Secretary then responsible for the Title III Program) explaining the study and inviting participation went to the chief administrative officers of institutions in the prime samples, with follow-up telephone calls made by senior project staff. Of the prime sample group of 20 public institutions, the presidents of 15 ultimately agreed to participate and did so. For the 30 private institutions, the corresponding number of acceptances was 24 from the prime sample of 30. There were thus initial acceptance rates of 75 and 80 percent, respectively.

Replacement institutions for those declining to participate were drawn from the relevant backup sample lists, with attempts (successful ultimately in all instances) to match the replacement institution with the original institution in terms of control (public versus private), program (2- versus 4-year), and predominant ethnicity of student body. Where there were multiple replacement options, the institution geographically nearest the non-participating institution was designated as the prime replacement option. A total of 19 additional formal invitations was required to yield the 6 private and 5 public replacements. As noted earlier, an additional institution was included during the negotiation process, for a total of 51 campuses.

The number of refusals to participate does not seem unduly large, given such requirements as the involvement of senior administrative staff with the site visitors over a 2-day period; the fact that some of the prime and backup sample schools had not received Title III awards for academic year 1982-83 (20 institutions of the 51 in the final sample were so affected); and understandable concerns about undue probing in a few instances. The reasons given by the presidents declining the invitations varied: two appeared angry that

their institutions had not been re-funded or that at the time follow-up calls were made final signoffs on award had not been received; several noted internal situations (e.g., self-studies, prolonged audit in process) preventing reasonable access to campus principals; and at least one stated, in effect, that if our purpose was to learn from their best developmental experiences we should look elsewhere, for theirs had largely failed.

The ultimate resulting sample is characterized as follows. Of the 51 institutions, 20 (39%) were public and 31 (61%) were private, located in 23 different states. The public group included 9 two-year and 11 four-year institutions; the private group, 1 two-year and 30 four-year institutions. Twenty-seven of the institutions (53%) were traditionally black; one was a school with an American Indian population; and several had sizable proportions of Hispanic and/or American Indian students. There were two single-sex institutions (one female, one male). In the private group, many different religious denominations were represented as the founding group or as a source of some continuing support. Headcount for public institutions ranged from 900 to 9,200, with a median of 3,150; private institutions had a headcount range from about 200 to 3,200 students, with a median of approximately 1,000. Thirty percent of the total group had received their first awards in the AIDP program; of the remaining 70 percent starting under BIDP, one-fourth had moved into AIDP prior to the start of the new SDIP program in 1979. Average annual Title III awards ranged from $200,000 to $780,000 with median values of $281,000 for public two-year institutions, $483,000 for public four-year institutions, and $408,000 for private four-year institutions.. (Additional detail on the characteristics of the sample institutions is provided in Chapter II of this report.)

C. Definition of Developmental Activity Provided to Institutions

An operational definition--as also discussed at the outset of Chapter VI--was created such that it would encompass the purpose and requirements of Title III and also likely sorts of external support from other sources. The use of "external support" was a fundamental criterion in this definition, with other attributes such as developmental intent, content, budget, direction, documentation, and period of operation combined into a "unit of activity" that could be identified and reviewed.

The definition outlined below was provided to each institution as a part of the optional Worksheet for Nomination of Significant Developmental Activity (see this form in Appendix D). The intent was referred to in the original letter of invitation to chief administrative officers and in the brochure providing a brief description of the research--and amplified and clarified in the extensive telephone contact during the period of such nominations. These three modes of communication were essential in setting the definitional parameters and allowing for some slight flexibility, as well as in specifying activities funded by the Title III Program as the underlying basis for the study.

Activity Definition

Developmental activities nominated should meet the following specifications, in addition to having served (or currently serving) their special developmental functions in a manner considered satisfactory or of special significance:

1. the activity is essentially developmental in nature--that is, its purpose is to improve the fiscal viability and self-sufficiency of the institution by direct or indirect means, such as increasing resources, improving efficiency of operation, improving quality of educational program or support services (particularly for students from low-income backgrounds);

2. the activity is described by a formal plan prescribing purpose, general nature of strategies, expected outcomes or changes, time lines for accomplishment, etc.;

3. the activity is assigned a discrete budget for its conduct;

4. the activity involves one or more faculty or staff, with a single individual (or committee) designated as responsible for its management and conduct;

5. records of progress--in terms of milestones, accomplishments, outputs, impact measures, or consequences--are maintained;

6. the activity has operated within the last six years, although it may have been initiated before that;

7. the activity is not restricted to funded "Title III Activities."

D. Selection of Developmental Activities for Case Study

While institutions were selected randomly within the constraints outlined in section B above, developmental Activities were chosen by purposive means.

In line with research objectives, efforts were made to identify and select specific Activities that institution personnel judged had already proven their worth to institutional development in one way or another. Thus, using the definition prescribed above, each institution was asked to review the entire range of funded Activities over a span of several years and then to nominate at least two in each of the three study domains (fiscal, administrative, program) for mutual consideration in arriving at a final total of three Activities per institution. Developmental Activities were deliberately not restricted to those funded by Title III in whole or in part, thus encouraging institutions to consider similar efforts supported by other kinds of external agents such as foundations, businesses, non-Title III Federal offices, or other sources.

Clarification of the study intent and the focus on the Activity level was accomplished by means of three documents (the original invitation letter to presidents, a brief overview of the study, and a specific form prepared for institution use in making Activity nominations), and through extensive telephone contact with a variety of personnel as general arrangements were made for visits.

All institutions were invited to complete and return the nomination form to RTI in postpaid envelopes; approximately two-thirds did so. These forms aided in clarifying the suggested Activities in terms of nature of external support, essential benefits of the Activity, period of operation, and chief strategies employed. In short, they provided an important basis for negotiating selections appropriate to the given institution. Extensive telephone contact had been anticipated with the persons designated by the president as chief contact in any case, so that where forms were not mailed to RTI we were only minimally delayed in arriving at mutual selection of the three Activities. It had also been expected that one of the principal applications of the nomination form would be as a device for internal review and discussion at the institution and as a way for the president to oversee the selection process.

There were four principal reasons for engaging in a telephone negotiation process. First, assurance was needed that the proposed Activities met the definition, as was basic information on the particular ways in which benefits had been derived (for advance information for the visit team). Second, it was necessary to select from among those nominated a final set of three Activities that appeared to hold the most promise for meeting research objectives, as

often as possible in terms of interrelationships across Activities. Third, to derive a variety of Activity types within each domain; for example, we strove to avoid having 15 or more "basic skills" or "institutional research" Activities, in the interests of obtaining a broader range of topics for review, and thus in some instances asked institutional representatives to consider other options. Fourth, we wanted to ascertain that a sufficient number of persons knowledgeable about the Activity history were still on campus and available for contact.

Activities were selected sequentially (institution by institution) as acceptance and scheduling proceeded operationally over a period of several months (taking into account the need to make arrangements with institutions in the backup sample). At the outset, emphasis was placed on obtaining the most satisfactory of the several options in each category. As the selection process continued, attempts were made to obtain variety in the nature of selected activities in each area, which sometimes yielded an option originally ranked as a second or lower priority by the institution.

Some institutions had difficulty designating activities in the fiscal improvement area, either because of overlap with and greater emphasis on the management area, or an absence of fiscal development activities; no institution of those participating had difficulty designating one or (usually) several activities in the program domain.

Most presidents appeared to take an active role in nominating activities, though the process employed varied. Some presidents stated the options almost immediately; others asked internal sources variously for recommendations; some convened a coordinating committee or the Management Council for a relatively formal consideration.

Of a possible 153 activities (one per domain per institution x 51 institutions), 150 were ultimately selected for onsite review. The large majority had been assisted by Title III, but some had been supported by foundations, businesses, various non-Title III government grants, and other temporary sources. As detailed in Chapter II, there was an imbalance in favor of program Activities since not all institutions nominated fiscal or management Activities, with a resulting count of 39 fiscal, 48 administrative, and 63 program Activities.

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E. Development and Content of Instrumentation

Instrumentation for the study consisted of six forms and two letters. The content was directed formally to the three domains of interest at the institution level (fiscal affairs, administration, and education/support program) and to the priority on the individual Activity level; to some extent both the content and the format drew on the prior work in Phase I which had also involved onsite pilot study reviews at Title III institutions. Each of the forms and letters underwent critical review and revision over a period of several months prior to commencement of the site visits, and each was also the subject of two levels of tryout in the field: an early pilot visit at a former Title III college not eligible for the Phase II sample, and intensive review of the reports and outcomes of the first two formal visits conducted at study sites. In addition, several consultants who ultimately became members of the field team, along with the ED project monitor, provided continuous review during the developmental period with particular attention to the fiscal and administrative aspects of higher education operations as well as the implications of and for the Title III program.

The set of instruments and letters was formally submitted for FEDAC and OMB approval along with all necessary justifications and plans for use of data. The required adjustments were made along the way and at the time formal approval was given. Subsequent minor revisions in wording and format were made as dictated by the field experience. While these materials were being considered by OMB, the most formal and extensive review took place during a 2-day seminar held at RTI in April 1982. Participants included RTI project staff, staff of the subcontractor then involved, the ED monitor, the then-director of the Title III Program and a Program staffer, several consultants (who later served in the field study), and representatives of three institutions which were not in the sample: the president of a non-Title III eligible college, the provost of an eligible university, and the Title III coordinator at an eligible college. The seminar had several purposes related to the rationale, implementation, and utility of the entire study. A considerable portion of time was therefore devoted to discussion of proposed instrumentation and prearranged role-play interviews employing the interview guides and record forms.

At each juncture of this long-term process (which in a real sense began with the onsite Title III Activity reviews in Phase I), revisions, additions,

deletions, and rearrangements were made. Special attention was given to the clarity of items, content coverage, sequence, common interpretations by field staff, and the reasonableness of asking for particular kinds of information. The resulting instrumentation or an abstract thereof is included in Appendix D. Characteristics of each element are outlined below.

1. A form entitled Five-Year Fiscal Trends Worksheet (16 pages) included selected pages (with permission) from the NACUBO Financial Self-Assessment Workbook and a simple form summarizing critical fiscal information on Title III awards. Data were pre-entered by project staff for fiscal years ending 1977-1980, using ED data of record from the HEGIS surveys and from Title III program tapes, for use by team members as background before the visits and as a basis for trends analysis during and after the visits. Columns were left blank for later entry by project staff of similar data for the FYs ending in 1981 and 1982. These data were meant to provide an essential view of trends in fiscal status and to alert the fiscal and management specialists to key input regarding institutional condition, needs, and prospects. (Since this form was completed from data of record, it was not necessary to obtain OMB approval; however, the remaining five instruments and two letters were submitted to and approved by OMB.)

2. The 2-page Letter of Invitation mailed to the president at each institution was considered a part of the instrumentation in that it cited the background and purpose of the study in terms of Title III, outlined the ensuing field work, and encouraged (but did not in any way require) institutions to participate. This letter, and the mechanism for its authority and mailing, were reviewed by Title III program staff and the ED technical monitor, and signed by the then Deputy Assistant Secretary for Institutional Support and International Education Programs (who was also acting as Title III Program Director). The letter was accompanied by an optional form for activity nomination and a descriptive flyer describing the study.

3. A Fiscal Information Questionnaire (8 pages) was mailed--along with a formal letter of request and explanation specific to this instrument--to each chief administrative officer after agreement to participate had been verified. This questionnaire asked for two sorts of data for FY ending 1981 to be used in completing the fiscal trends

worksheet, since at the time the HEGIS tapes for 1981 had not yet become available. The two data sets were (a) HEGIS data from Parts A and B of NCES Form 2300-4, and (b) data of record on the campus including tuition and fee rates, student financial aid resources, and Title III revenues and expenditures. Depending on whether campus personnel mailed the completed questionnaire to RTI or held it for the team's arrival, data were entered onto the Fiscal Worksheet for review of five-year trends in fiscal condition and Title III awards; in a few instances fiscal personnel were able to provide data for FY ending 1982, which was also entered when available.

4. The Narrative Report on Individual Activity was used for all Activities reviewed regardless of the particular domain involved. This form served both as a site visitor guide for multiple interviews on the assigned Activity and as the single official format for reporting the Activity in detail. As such, it focused on the origin, objectives, strategies, inputs, context, impacts and consequences, and future prospects of the Activity, via items and subitems organized in that general sequence. The form functioned as a summary document for recording and synthesizing findings and impressions obtained from contacts with 5-20 persons (from the president down to students), observations, study of formal documentation and evaluation reports, and other possible resources such as actual Activity products--thus representing a mixture of facts, opinions, and judgements. The final page called for a catalog of all persons (and positions) interviewed in connection with the Activity, a listing of documents perused, and a listing of documents obtained and submitted with the report. This 18-page document is not provided but the questions listed are summarized in Appendix D.

5. A separate form, Fiscal Specialist's Summary Report (9 pages), was developed for the site visitor's use in reporting on the institution's general condition, trends over time, role of external support, fiscal management practices, and other aspects of the fiscal context in which any selected Activities operated. The form also represented an opportunity for characterizing that context in and of itself, for arriving at observations on functioning relevant to the maintenance and enhancement of the institution, and for judging

fiscal health and viability. As with the Activity Narrative, this form served as a guide for multiple interviews and observations, and also as the formal vehicle for reporting on general fiscal status in a consistent way across institutions. Similarly, the summary report reflected a combination of facts and figures, observations and opinions, and judgments. A summary of the content of this form is provided in Appendix D.

6. The Management Specialist's Summary Report (8 pages) served the same purpose as that outlined just above, as defined by the managment/ administration domain. Major topics included: needs assessment, organizational structure, policy formation, planning, leadership, program trends, Title III history, and overall outlook. A summary of the content of this form is provided in Appendix D.

7. The Program Specialist's Summary Report (9 pages) served in the same way, for the program domain (including the educational program and various support services). Major topics included: program history, mission, development philosophy, future priorities, internal and external forces, and lessons learned from development efforts over time. A summary of the content of this form is provided in Appendix D.

A number of other forms and documents were prepared for communication with institutions, visit arrangements, advance information for team members, training of team members, and maintenance of records at RTI. As essentially operational and internal forms, these played an essential role in making the instrumentation effective in the field work, but were not in themselves formal instruments. These will be referred to, however, in the following section.

F. Preparation for and Conduct of the Field Work

Preparation for the field study began some months before the site visits commenced and actually continued during the study as successive groups of institutions were contacted and visited. Allowing for such overlap, this section describes preparatory steps and conduct of the field work.

1. Several months prior to commencement of the field work, selection and training of team members began--staff of RTI and the Center for Systems and Program Development, or CSPD (the subcontractor) and consultants to each organization. All vitae and qualifications of proposed site visitors were reviewed by the ED project monitor who

ultimately approved most nominees for assignments to field work; four persons were approved for slots in more than one domain, the remainder for one domain only. A core group of 16 team members was identified by May 1982, supplemented by a few later approved additions as tight scheduling demanded a larger group from which to name 3-person teams.

Training and supervision was undertaken in several chief ways--seminars, onsite team leader functions, and procedural manuals. As already alluded to, a two-day seminar for the core group took place in April 1982, the purpose of which was acquaintance with the study and specific training for its conduct and reporting requirements. The other modes will be described later.

2. After selection of the prime samples (and later as backup replacements were required), institutional <u>program</u> files in the Title III office were reviewed for an overview of award history since 1976, range of Activity types funded, and general information contained in application sections such as "Institutional Narrative" and long range plans. Where the files contained final plans for various awards, Activity abstracts, internal or external evaluations, or other documents related to program, these were also reviewed and abstracted. Access was <u>not</u> requested or provided to separate contracts files or documents related to the reader-review, award, or negotiation processes.

3. At the same time the staff kept alert to information on foundation or business grants to sample institutions (or notice of non-Title III consortium activity) that might prove valuable later; this included annual foundation reports, press releases, news articles, publications, Title III newsletters, and similar sources.

4. Approximately two weeks after the mailing of the formal invitational letter and its enclosures, senior professional staff at RTI began telephoning chief administrative officers to discuss the study, answer questions, clarify the proposed procedure, and solicit agreement to participate. (The call was made whether or not an Activity nomination form or other correspondence had been received.) This call often led to additional phone contacts over a two-week period before agreement was obtained, a formal contact person designated, and a list of nominated Activities suggested.

   Once access was granted to a chief contact (usually the Title III coordinator and only occasionally the president) further calls were initiated to begin formal arrangements as to visit dates, personnel and schedules for interviews, selection of Activities, and travel plans. This level of contact typically involved five calls over a two-week period. One special consideration was the need to schedule visits by a given team at two institutions in the same week to conserve travel costs; another was the need to get advance information about the three Activities, the persons most knowledgeable of them, and their relationships to the larger institutional enterprise.

The chief contact was asked to forward to RTI certain pertinent materials such as a current catalog, any recent self-study, Title III application (if not available in the program office), descriptive materials or products related to the selected Activities, organizational charts, annual reports, and the like. These materials were intended to help prepare for the onsite review in a general background sense and also to suggest lines of inquiry to be pursued in the three domains.

5. Individual files were set up at RTI for materials and abstracts obtained in the steps above as a resource for the particular team that would later make the visit. Summary forms were created outlining major background information, special situations or needs, Title III history, etc.; a separate preliminary "Activity Brief Description" was completed for each individual Activity, reporting what had been learned in advance about purposes, resources used, personnel involved, benefits observed, period of operation, and chief implementation strategies.

   At the appropriate time, packets of these materials were delivered to assigned team members for advance study; these were amplified by inclusion of the Fiscal Worksheet, copies of relevant correspondence, preliminary agendas, travel plans, blank copies of the interview/report instrumentation, and any necessary directives regarding the particular visit.

   During the course of the study these files became the repository for any additional materials received, memoranda of record, correspondence of all sorts--and finally team members' formal reports with all attachments and addenda.

6. As the schedule moved ahead, letters were forwarded to the contact and the president confirming the visit plans, naming team members and their affiliations, and showing team assignments to the three selected Activities. Accompanying this letter was a four-page synopsis of "Essential Questions"--one set for developmental Activities, and one set each for the fiscal, administration, and program domains--so that all concerned could anticipate what would be asked (these were identical to the report form contact summaries provided in Appendix D).
   At about the same time, the Fiscal Information Questionnaire was mailed to the president under a formal cover letter requesting the data and outlining their utility in the visit and the study.

   By this time in the process, the visit agenda had been pretty well established, though subject to change by the institution because of various last-minute exigencies. The essential proposed structure was (a) informal breakfast meeting with the chief contact person, (b) formal entry interview with the president/chancellor and any other senior staff or cabinet members the president chose, (c) individual conferences with the chief fiscal and academic/technical officers and with a vice president, planning officer, or other person with central administrative oversight, (d) contact with the staffs of these officers, (e) interview with the Title III

coordinator in relation to that role and the Title III program award overall, (f) several appointments with staff, faculty, assistants, tutors, students, etc., in relation to the selected Activities, and (g) exit interview, again with the president/chancellor and any other persons the president selected.

7. Training team members involved certain steps in addition to the seminar and onsite supervision already discussed. A lengthy manual was prepared early on for use in the seminar and later, and was amplified subsequently for distribution to all team members. Figure A-1 is the Table of Contents for this manual, showing the full range of topics covered for engaging in the field work as well as the list of appendixes whose purpose was to provide further background for the study. At two points in time during 1982-83 special addenda were issued as "newsletters" for all team members, reporting progress thus far, clarifying certain operational and reporting requirements, and highlighting certain information needs.

   In addition to the original seminar for the core group, two additional conferences were held. The first was a day's meeting with the ED project monitor after completion of the first two visits and the reports therefrom, with a focus on operational matters as well as findings and outcomes in the reporting process; this involved key project staff and the consultants aiding in the two site visits. The manual for team members was modified somewhat as a result of this conference. The second was a seminar held in December '82 for a group of 10 staff and consultants along with the ED project monitor, as a midpoint review session after completion of approximately 60 percent of the visits.

8. Team assignments (always including a fiscal, administration, and program specialist) were made in line with schedules and locations of team members. Each team included an RTI (or CSPD) staff member, designated as team leader, with specific responsibilities for resolving problems that might arise, informally chairing the entry and exit sessions and representing RTI as contractor, and assigning team members to additional topics or personnel once their value became apparent on site. A major responsibility in the entry session was to advise the president (and others) of their full rights to informed consent and confidentiality regarding all study-related information; a form outlining this position was prepared for use by all team members in all contacts. (Figure A-2 shows the exact nature of the topics to be covered in this regard.) A second principal team leader responsibility was to review the file of background materials with the team the evening before the visit (as an aspect of training and supervision), to lead a review of the first day's experience, and (later) a team meeting in preparation for the exit interview, and otherwise to guide the visit and data-collection process.

9. The visits were carried out according to the general plans already alluded to, following a pre-arranged agenda, including contact with from 10 to 35 persons (depending on campus size), and lasting for two full days. Typically two visits by a given team took place in one week, with the intervening Wednesday for travel and/or report

Figure A-1

SDIP PHASE II SITE-VISIT PROTOCOL

Contents

Figure A-2

NARRATIVE REPORT ON INDIVIDUAL ACTIVITY/STRATEGY

Note to Interviewers Regarding Informed Consent and Confidentiality

The Privacy Act of 1974 requires that survey respondents be informed of the voluntary nature of their participation without any penalty for refusal to answer certain questions; of the purposes of the study, its authority, and how resulting data will be used; and of the confidentiality of their responses.

In initiating campus interviews with each individual or group of interviewees, it is necessary to advise respondents of the following:

1. That the study is carried out under the authority of the General Education Provisions Act of 1974 (20 USC, 1226C).

2. That their participation is voluntary in all respects and that their declining to respond to certain questions will be respected without prejudice or penalty.

3. That the study has general and specific purposes (as previously outlined in the letter to the President), and that you will be glad to enlarge upon study purposes.

4. That resulting data will be aggregated across respondents on each campus (pertaining to each of the three domains) as well as across all institutions in the case study synthesis.

5. That respondents will be identified by name and/or position in the case study records, but no specific statements or interpretations will be attributed to individuals. Interpretation will be a responsibility taken on by the contractor in developing case studies and will reflect on the overall situation at each Institution as perceived by interviewers.

6. That no quotations associated with names will be provided to the Department of Education or to other representatives of the institution, that data will be available only to RTI for aggregation and analysis, and that individuals who state their preference not to be named as respondents in the case study will be omitted from the list.

7. That a draft of any case study of an exemplary practice, for possible publication with specific institutional identifiers provided, will be submitted to the President of the Institution for review and approval prior to delivery to the Department of Education.

writing (depending on distances involved). Team members conducted individual and group interviews--sometimes as a complete team and more often as individuals--in connection with assigned domains and discrete Activities. Team members were free to schedule interviews with additional persons when names or roles were suggested by prime interviewees--and this flexibility proved to be of special value. There were also instances where telephone contact was undertaken (before or during the visit) as the only way of reaching certain focal personnel, usually former administrative officers or personnel on leave. Team members also undertook observations as appropriate, studied project files, and reviewed relevant reports and materials.

Team members were authorized to substitute a new Activity for the assigned one if, in their judgement and in consensus with campus personnel, more could be gained by such an exchange. This actually occurred in a few instances. There were also cases where it was possible and desirable for a team member (usually in the program domain) to review an "extra" Activity.

While the team worked often as a team on site, with some common contacts and purposes, in reality they functioned more as independent agents since they had separate domains and developmental Activities to pursue. There were cases, however, where two teamers were assigned to one complex Activity that dealt equally with fiscal and administrative concerns.

10. The final step was preparation and submission of reports by the site visitors, utilizing the forms provided for this purpose. These were briefly reviewed by core staff upon receipt, with telephone or letter follow-up to obtain clarification or additional information where needed. Site visitors also provided copies of relevant documents collected on site.

G. Treatment of Data, and Report Preparation

Responsibility for intensive (and repeated) review of all data collected was vested in the three senior professional staff members most frequently involved in the site visits themselves, and who are the authors of this report. Dr. Davis, the principal investigator, focused in particular on the administrative domain; Dr. Ironside, a program evaluation specialist, took prime responsibility for the program domain; and Mr. VanSant, a business management specialist, took prime responsibility for the fiscal domain.

As the site visits proceeded, and as the working conferences outlined earlier were held, there was a continuing attempt to inventory and refine emerging hypotheses (or factors) that appeared to explain developmental success at the institutional or Activity level. This process continued throughout the review of the assembled materials.

A first formal step in the case study analysis was the summary compilation of certain statistical data describing the institutions. Those analyses that appeared useful are presented in Chapter II and Appendix A.1 of this report.

A second step was the formulation of criteria--reflecting trends and current status--that would characterize the present quality of the administration, fiscal management, and academic and support programs of the institutions. The intent here was to establish criterion groups of institutions that could then be examined for similarities and contrasts on variables with causal potential--that is, those forces or situations that appeared to contribute to the criterion status. These criterion variables, the process through which they were abstracted and applied, and the results, are presented in Chapter III of this report.

The three investigators then independently examined the entire sets of data, using their working sets of hypotheses and variables, toward the abstraction of factors that appeared associated with the several categories of developmental status in their particular domain. Their reports of this process, and their observations, are presented in Chapter IV of this report.

It should be noted that there was frequent and intensive interaction among the three analysts as this classification and contrast process proceeded, of both a formal and informal kind. We felt that this was important as a basis for examining and affirming the validity and reasonableness of the rules of evidence employed, as well as for sharing and confirming special insights.

A next formal step was the repetition of the process, this time with an intensive focus on the sample of the developmental Activities. Chapters V and VI of this report present the logic and criteria developed for a tentative assessment of Activity quality, and Chapter VII presents the interpretations and conclusions generated by the examination of factors associated with successful Activities.

The basic report, in first draft form, was then subjected to formal external review to seven consultants who had participated heavily in the site visits themselves. These individuals represented, of course, the three domains, and included Dr. Rose Mary Healy and Dr. William McFarlane in the administrative domain, Dr. Ben Cameron and Dr. Collie Coleman in the program domain, and Dr. William Jenkins, Dr. Marwin Wrolstad, and Dr. Wright Lassiter

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in the fiscal domain. These individuals were asked to examine the findings and interpretations carefully, and to note in particular any that were at variance with their experience or logic. The reviewers took this task seriously, making extensive written and telephone coments. Not all suggestions made were incorporated in the final draft, of course, but the final product was substantially improved and fine-tuned by this process. We also had the benefit of review and general comment by several Title III program or program-associated staff or consultants, notably Dr. John Rison Jones, Dr. Joel West, and Dr. Denton Allen.

The analytic process was essentially historical. The method has its particular merits of permitting a broader access to useful associations and explanations than possible with a more structured experimental design. As an end-note, we should acknowledge that as a series of case studies--involving variable content and quality of data, the frequent imposition of some sort of logic, and views from different vantage points--the findings are best viewed as suggestive. Certain biases--hopefully recognized and addressed throughout the report--were inevitable, or, in fact, needed as a basis for testing development assumptions or assumed insights. This means, most precisely, that the observations reported should be considered as working hypotheses for verification or refutation by further study.

Table A-1

Selected Indices, in Rank Order
Reflecting the Fiscal Year Ending in 1977:
Strong Institutions

	Unrestricted Current Fund Balance*	Enrollment	Gov't. Grants/ Current Fund Revenue	Title III Rev./Current Fund Revenue	Private Gifts Rev./Current Fund Revenue	Current Fund Bal./ Current Fund Expenditure	Instr. Exp./ E&G Expense	Per Student E&G*	Instr. Exp. Per FTE Student*	FTE Student/ FTE Faculty	Title III Revenue*
	1014	2436	0.34	0.17	0.21	0.32	0.57	5.35	1.95	36.21	699
	607	2238	0.34	0.09	0.21	0.15	0.52	4.14	1.93	29.73	585
	531	2028	0.23	0.08	0.19	0.12	0.52	3.76	1.54	27.46	485
	413	1977	0.21	0.07	0.17	0.10	0.44	3.62	1.23	25.96	400
	360	1454	0.20	0.05	0.14	0.07	0.42	3.44	1.13	25.43	348
	289	1017	0.14	0.04	0.13	0.06	0.40	3.42	1.13	21.84	297
	285	773	0.06	0.04	0.10	0.06	0.39	2.52	0.83	19.56	125
	245	699	0.06	0.02	0.07	0.05	0.36	2.23	0.77	17.27	100
	119	570	0.01	0.02	0.00	0.05	0.28	2.09	0.52	16.03	100
No.	N=9	N=9	N=9	N=9	N=9	N=9	N=9	N=9	N=9	N=9	N=9
Median	M=360	M=1454	M=0.20	M=0.05	M=0.14	M=0.07	M=0.42	M=3.44	M=1.13	M=25.43	M=348

* Values in thousands of dollars.

Table A-2

Selected Indices, in Rank Order
Reflecting the Fiscal Year Ending in 1981:
Strong Institutions

Unrestricted Current Fund Balance*	Enrollment	Gov't. Grants/ Current Fund Revenue	Title III Rev./Current Fund Revenue	Private Gifts Rev./Current Fund Revenue	Current Fund Bal./ Current Fund Expenditure	Instr. Exp./ E&G Expense	Per Student E&G*	Instr. Exp. Per FTE Student*	FTE Student/ FTE Faculty	Title III Revenue*
986	3104	0.29	0.11	0.19	0.24	0.53	6.19	2.34	38.00	925
720	2394	0.29	0.09	0.19	0.11	0.45	6.11	2.28	22.70	468
679	1631	0.27	0.04	0.17	0.11	0.38	6.03	2.00	20.93	434
554	1543	0.26	0.04	0.17	0.09	0.38	5.90	1.85	19.89	429
314	1267	0.24	0.04	0.14	0.06	0.35	5.82	1.72	18.15	371
310	1074	0.22	0.04	0.14	0.06	0.33	5.63	1.60	15.92	327
291	900	0.19	0.03	0.06	0.04	0.32	4.62	1.30	14.96	318
221	796	0.10	0.03	0.05	0.02	0.29	4.34	1.02	14.64	246
144	681	0.05	0.02	0.00	0.01	0.25	3.15	0.84	12.80	231
No.										
N=9	N=9	N=9	N=9	N=9	N=9	N=9	N=9	N=9	N=9	N=9
Median										
M=314	M=1267	M=0.24	M=0.04	M=0.14	M=0.06	M=0.35	M=5.82	M=1.72	M=18.15	M=371

* Values in thousands of dollars.

Table A-3

Difference Values, in Rank Order,
Reflecting Changes Between 1977 and 1981 on Selected Indices:
Strong Institutions

	Unrestricted Current Fund Balance*	Enrollment Percent Increase	Gov't. Grants/ Current Fund Revenue**	Title III Rev./Current Fund Revenue**	Private Gifts Rev./Current Fund Revenue**	Current Fund Bal./ Current Fund Expenditure**	Instr. Exp./ E&G Expense**	Per Student E&G*	Instr. Exp. Per FTE Student*	Title III Revenue*
	435	0.27	0.21	0.02	0.03	0.05	0.01	3.67	0.80	340
	195	0.19	0.09	0.01	0.02	0.03	-0.03	3.59	0.72	271
	194	0.18	0.05	0.01	0.01	-0.01	-0.04	2.46	0.53	218
	148	0.16	0.05	0	0	-0.03	-0.04	2.41	0.49	171
	4	0.14	0.04	0	0	-0.04	-0.06	2.21	0.47	121
	-24	0.12	0.04	-0.01	-0.01	-0.04	-0.06	1.06	0.33	81
	-28	0.06	-0.01	-0.04	-0.03	-0.06	-0.07	0.76	0.32	-51
	-103	-0.31	-0.05	-0.06	-0.04	-0.06	-0.11	0.58	0.19	-73
	-463	-0.36	-0.01	-0.07	-0.05	-0.08	-0.22	0.48	0.07	-468
No.	N=9	N=9	N=9	N=9	N=9	N=9	N=9	N=9	N=9	N=9
Median	M=4	M=0.14	M=0.04	M=0	M=0	M=-0.04	M=-0.06	M=2.21	M=0.47	M=121

* Values in thousands of dollars.

** Differences in 1981 vs. 1977 ratios are expressed in percentage points.

Table A-4

Selected Indices, in Rank Order
Reflecting the Fiscal Year Ending in 1977:
Neutral or Stable Institutions

	Unrestricted Current Fund Balance*	Enrollment	Gov't. Grants/ Current Fund Revenue	Title III Rev./Current Fund Revenue	Private Gifts Rev./Current Fund Revenue	Current Fund Bal./ Current Fund Expenditure	Instr. Exp./ E&G Expense	Per Student E&G*	Instr. Exp. Per FTE Student*	FTE Student/ FTE Faculty	Title III Revenue*
	1477	7239	0.24	0.16	0.25	0.72	0.72	7.30	2.84	47.45	1003
	1062	5118	0.24	0.16	0.18	0.59	0.63	5.08	2.30	43.05	770
	542	4951	0.21	0.13	0.18	0.26	0.63	4.90	2.03	36.85	475
	488	3891	0.18	0.12	0.16	0.15	0.61	4.52	1.88	34.28	433
	475	3292	0.18	0.11	0.14	0.12	0.59	4.37	1.71	28.54	430
	443	2948	0.17	0.08	0.13	0.11	0.58	4.36	1.65	25.59	393
	291	2626	0.15	0.08	0.12	0.08	0.57	3.92	1.52	24.74	375
	256	2243	0.14	0.07	0.06	0.08	0.56	3.83	1.50	23.92	344
	251	1537	0.11	0.06	0.02	0.07	0.56	3.69	1.49	23.86	320
	224	1394	0.10	0.05	0.00	0.07	0.52	3.68	1.45	23.51	300
	171	1149	0.09	0.05	0.00	0.05	0.51	2.97	1.28	23.26	300
	82	998	0.09	0.04	0.00	0.04	0.48	2.90	1.22	22.60	280
	59	994	0.09	0.04	0.00	0.04	0.48	2.49	1.21	21.39	250
	16	984	0.08	0.03	0.00	0.04	0.46	2.47	1.18	20.52	249
	0	977	0.07	0.03	0.00	0.02	0.46	2.28	1.17	19.20	246
	-200	935	0.06	0.03	0.00	-0.03	0.45	2.21	1.06	18.84	224
	-485	892	0.04	0.03	0.00	-0.04	0.44	2.08	0.85	17.15	200
	-630	870	0.04	0.03	0.00	-0.22	0.44	1.88	0.76	17.00	176
	-673	569	0.02	0.02	0.00	-0.22	0.37	1.85	0.72	16.37	174
		392	0.01	0.01	0.00		0.29	1.62	0.65	11.20	130
No.	N=19	N=20	N=20	N=20	N=20	N=19	N=20	N=20	N=20	N=20	N=20
Median	M=224	M=1271.5	M=0.095	M=0.05	M=0.00	M=0.07	M=0.515	M=3.325	M=1.365	M=23.385	M=300

* Values in thousands of dollars.

Table A-5

Selected Indices, in Rank Order
Reflecting the Fiscal Year Ending in 1981:
Neutral or Stable Institutions

	Unrestricted Current Fund Balance*	Enrollment	Gov't. Grants/ Current Fund Revenue	Title III Rev./Current Fund Revenue	Private Gifts Rev./Current Fund Revenue	Current Fund Bal./ Current Fund Expenditure	Instr. Exp./ E&G Expense	Per Student E&G*	Instr. Exp. Per FTE Student*	FTE Student/ FTE Faculty	Title III Revenue*
	1883	8557	0.24	0.12	0.61	0.30	0.69	7.58	3.96	46.15	665
	1593	6000	0.17	0.08	0.18	0.13	0.63	7.11	2.91	34.92	501
	1472	5903	0.17	0.07	0.17	0.12	0.61	6.13	2.62	33.43	500
	1237	4644	0.16	0.07	0.15	0.10	0.59	6.02	2.34	29.88	475
	529	3076	0.15	0.06	0.15	0.10	0.57	5.81	2.31	29.09	447
	456	2412	0.14	0.05	0.14	0.08	0.55	5.67	2.03	24.77	447
	331	2211	0.14	0.05	0.13	0.06	0.54	4.96	1.96	24.05	430
	217	2157	0.11	0.05	0.12	0.05	0.53	4.82	1.90	24.00	421
	169	1924	0.11	0.05	0.06	0.04	0.53	4.67	1.78	23.06	409
	153	1500	0.09	0.05	0.03	0.03	0.49	4.61	1.65	22.39	333
	118	1490	0.09	0.04	0.03	0.02	0.49	4.53	1.64	19.57	325
	83	1166	0.09	0.03	0.02	0.01	0.47	4.46	1.63	17.15	310
	26	1152	0.08	0.03	0.01	0.00	0.47	4.23	1.58	16.63	309
	12	956	0.08	0.03	0.00	0.00	0.43	3.90	1.55	16.19	297
	0	900	0.07	0.02	0.00	0.00	0.42	3.67	1.47	15.97	280
	-149	822	0.07	0.02	0.00	-0.01	0.39	3.57	1.38	15.81	239
	-165	815	0.07	0.02	0.00	-0.02	0.39	2.88	1.19	15.27	231
	-297	794	0.06	0.02	0.00	-0.04	0.36	2.56	1.06	14.61	212
		661	0.06	0.02	0.00		0.30	2.55	1.05	13.77	170
		644	0.00	0.00	0.00		0.27	2.55	1.02	13.48	51
No.	N=18	N=20	N=20	N=20	N=20	N=18	N=20	N=20	N=20	N=20	N=20
Median	M=161	M=1495	M=0.09	M=0.045	M=0.03	M=0.035	M=0.49	M=4.57	M=1.645	M=20.98	M=329

* Values in thousands of dollars.

Table A-6

Difference Values, in Rank Order, Reflecting
Changes Between 1977 and 1981 on Selected Indices:
Neutral or Stable Institutions

	Unrestricted Current Fund Balance*	Enrollment Percent Increase	Gov't. Grants/ Current Fund Revenue**	Title III Rev./Current Fund Revenue**	Private Gifts Rev./Current Fund Revenue**	Current Fund Bal./ Current Fund Expenditure**	Instr. Exp./ E&G Expense**	Per Student E&G*	Instr. Exp. Per FTE Student*	Title III Revenue*
	1659	0.69	0.10	0.03	0.61	0.27	0.12	3.06	1.66	491
	981	0.50	0.07	0.02	0.08	0.25	0.02	2.33	1.26	277
	654	0.38	0.07	0.01	0.05	0.18	0.02	2.13	0.89	233
	531	0.23	0.05	0	0.03	0.06	0.01	2.04	0.81	198
	465	0.21	0.03	0	0.03	0.04	0.01	1.92	0.75	83
	376	0.19	0.02	0	0.01	0.02	0.01	1.84	0.74	82
	278	0.18	0.02	-0.01	0.01	0.02	-0.02	1.82	0.74	45
	249	0.17	0	-0.01	0	0.02	-0.02	1.76	0.51	14
	102	0.15	-0.01	-0.02	0	0.01	-0.02	1.36	0.46	10
	51	0.13	-0.01	-0.02	0	-0.01	-0.03	1.23	0.43	0
	0	0.10	-0.01	-0.02	0	-0.02	-0.03	1.04	0.41	-3
	-5	0.01	-0.02	-0.02	0	-0.02	-0.03	0.93	0.33	-11
	-18	-0.03	-0.02	-0.02	0	-0.03	-0.03	0.93	0.30	-27
	-47	-0.04	-0.03	-0.03	0	-0.05	-0.04	0.80	0.19	-30
	-86	-0.09	-0.03	-0.04	0	-0.05	-0.07	0.67	0.17	-45
	-258	-0.11	-0.05	-0.04	0	-0.10	-0.06	0.31	0.01	-50
	-265	-0.16	-0.07	-0.04	-0.03	-0.14	-0.09	0.28	-0.01	-113
	-405	-0.17	-0.07	-0.05	-0.03		-0.09	0.09	-0.11	-154
	-443	-0.25	-0.09	-0.06	-0.08		-0.12	-0.19	-0.48	-195
		-0.27	-0.11	-0.11	-0.12		-0.19	-0.47	-0.50	-582
o.	N=19	N=20	N=20	N=20	N=20	N=17	N=20	N=20	N=20	N=20
edian	M=51	M=0.115	M=-0.01	M=-0.02	M=0	M=.01	M=-0.03	M=1.135	M=0.42	M=-1.5

Values in thousands of dollars.

* Differences in 1981 vs. 1977 ratios are expressed in percentage points.

Table A-7

Selected Indices, in Rank Order
Reflecting the Fiscal Year Ending in 1977:
Vulnerable Institutions

	Unrestricted Current Fund Balance*	Enrollment	Gov't. Grants/ Current Fund Revenue	Title III Rev./Current Fund Revenue	Private Gifts Rev./Current Fund Revenue	Current Fund Bal./ Current Fund Expenditure	Instr. Exp./ E&G Expense	Per Student E&G*	Instr. Exp. Per FTE Student*	FTE Student/ FTE Faculty	Title III Revenue*
	606	1533	0.42	0.18	0.28	0.11	0.61	7.79	1.46	25.87	619
	355	1009	0.39	0.17	0.23	0.10	0.47	4.95	1.41	22.61	400
	81	995	0.34	0.13	0.18	0.06	0.44	4.62	1.35	21.90	394
	69	794	0.31	0.10	0.16	-0.02	0.38	4.37	1.32	21.00	350
	-50	686	0.31	0.08	0.14	-0.03	0.37	4.05	1.21	19.49	275
	-462	682	0.23	0.05	0.14	-0.10	0.35	3.71	1.14	19.06	221
	-783	609	0.22	0.05	0.12	-0.32	0.30	3.60	1.12	18.47	202
	-1532	142	0.06	0.02	0.11	-0.48	0.28	3.40	1.11	14.20	184
No.	N=8	N=8	N=8	N=8	N=8	N=8	N=8	N=8	N=8	N=8	N=8
Median	M=9.5	M=740	M=0.31	M=0.09	M=0.15	M=-0.025	M=0.375	M=4.21	M=1.265	M=20.245	M=312.5

* Values in thousands of dollars.

Table A-8

Selected Indices, in Rank Order
Reflecting the Fiscal Year Ending in 1981:
Vulnerable Institutions

	Unrestricted Current Fund Balance*	Enrollment	Gov't. Grants/ Current Fund Revenue	Title III Rev./Current Fund Revenue	Private Gifts Rev./Current Fund Revenue	Current Fund Bal./ Current Fund Expenditure	Instr. Exp./ E&G Expense	Per Student E&G*	Instr. Exp. Per FTE Student*	FTE Student/ FTE Faculty	Title III Revenue*
	720	1526	0.62	0.18	0.24	0.11	0.47	15.96	3.60	28.04	485
	-22	1256	0.40	0.13	0.18	-0.01	0.45	6.72	2.27	22.84	453
	-43	780	0.34	0.09	0.15	-0.01	0.39	6.50	1.82	22.29	434
	-253	701	0.31	0.09	0.14	-0.07	0.39	5.96	1.48	21.80	400
	-337	650	0.24	0.08	0.12	-0.08	0.38	4.91	1.45	19.48	400
	-380	643	0.22	0.05	0.12	-0.08	0.31	4.80	1.19	18.88	353
	-1,400	106	0.11	0.05	0.06	-0.82	0.25	4.37	0.89	9.64	225
	-2,121	623	0.20	0.05	0.08	-0.36	0.29	4.69	1.06	11.40	[illegible]
No.	N=8	N=8	N=8	N=8	N=8	N=8	N=8	N=8	N=8	N=8	N=8
Median	M=-295	M=675.5	M=0.275	M=0.085	M=0.13	M=-0.07	M=0.385	M=5.435	M=1.465	M=20.64	M=400

*Values in thousands of dollars.

Table A-9

Difference Values, in Rank Order,
Reflecting Changes Between 1977 and 1981 on Selected Indices:
Vulnerable Institutions

	Unrestricted Current Fund Balance*	Enrollment Percent Increase	Gov't. Grants/ Current Fund Revenue**	Title III Rev./Current Fund Revenue**	Private Gifts Rev./Current Fund Revenue**	Current Fund Bal./ Current Fund Expenditure**	Instr. Exp./ E&G Expense**	Per Student E&G*	Instr. Exp. Per FTE Student*	Title III Revenue*
	530	0.58	0.23	0.03	0.03	0.25	0.17	8.17	2.19	216
	114	0.14	0.09	0	0.02	0.12	0.04	2.56	0.92	151
	82	0.02	0.05	0	0.01	0.02	0	2.13	0.50	103
	7	-0.00	0.03	0	0.01	0.01	-0.01	1.77	0.34	40
	-69	-0.06	-0.01	0	-0.02	-8.06	-0.05	1.20	0.33	4
	-377	-0.25	-0.02	-0.01	-0.04	-0.11	-0.06	0.66	-0.22	0
	-418	-0.31	-0.03	-0.04	-0.06	-0.11	-0.13	0.64	-0.22	-4
	-589	-0.35	-0.18	-0.04	-0.22		-0.23	0.29	-0.40	-134
No.	N=8	N=8	N=8	N=8	N=8	N=8	N=8	N=8	N=8	N=8
Median	M=-31	M=-0.03	M=0.01	M=0	M=-0.005	M=-0.01	M=-0.03	M=1.485	M=0.335	M=22

* Values in thousands of dollars.

** Differences in 1981 vs. 1977 ratios are expressed in percentage points.

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Table A-10

Selected Indices, in Rank Order, Reflecting the Fiscal Year Ending in 1977: Mixed Institutions

	Unrestricted Current Fund Balance*	Enrollment	Gov't. Grants/ Current Fund Revenue	Title III Rev./Current Fund Revenue	Private Gifts Rev./Current Fund Revenue	Current Fund Bal./ Current Fund Expenditure	Instr. Exp./ E&G Expense	Per Student E&G*	Instr. Exp. Per FTE Student*	FTE Student/ FTE Faculty	Title III Revenue*
	5436	4506	0.37	0.18	0.42	0.66	0.62	6.74	1.99	46.77	802
	2276	3804	0.36	0.17	0.35	0.28	0.59	6.27	1.91	28.22	706
	1257	3375	0.35	0.15	0.28	0.12	0.56	6.25	1.73	27.48	638
	746	2794	0.32	0.07	0.25	0.08	0.55	5.11	1.52	26.64	595
	610	1799	0.24	0.07	0.19	0.07	0.50	4.64	1.46	26.46	583
	511	1741	0.22	0.06	0.11	0.07	0.44	4.35	1.44	25.70	562
	322	1429	0.21	0.06	0.02	0.07	0.44	4.26	1.42	24.94	400
	248	1403	0.21	0.05	0.02	0.06	0.44	4.23	1.39	21.97	400
	240	1119	0.20	0.05	0.02	0.05	0.39	4.15	1.32	18.85	325
	235	1051	0.20	0.05	0.01	0.05	0.38	4.12	1.30	18.72	300
	61	798	0.17	0.04	0	0.04	0.36	3.77	1.04	18.39	300
	18	747	0.10	0.03	0	0.01	0.36	2.17	0.91	17.58	260
	16	515	0.07	0.03	0	0	0.31	1.82	0.70	17.52	213
	-940	377	0.06	0.02	0	-0.16	0.26	1.20	0.65	14.50	203
No.	N=14	N=14	N=14	N=14	N=14	N=14	N=14	N=14	N=14	N=14	N=14
Median	M=285	M=1416	M=0.21	M=0.055	M=0.02	M=0.065	M=0.44	M=4.245	M=1.405	M=23.455	M=400

* Values in thousands of dollars.

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Table A-11

Selected Indices, in Rank Order,
Reflecting the Fiscal Year Ending in 1981:
Mixed Institutions

	Unrestricted Current Fund Balance*	Enrollment	Gov Grant Current [illegible] Revenue	[illegible] Fund Revenue	[illegible]ivate [illegible]ifts [illegible]./Current Fund Revenue	Current Fund Bal./ Current Fund Expenditure	Instr. Exp./ E&G Expense	Per Student E&G*	Instr. Exp. Per FTE Student*	FTE Student/ FTE Faculty	Title III Revenue*
	4974	5059	0.34	0.18	0.45	0.20	0.62	8.41	2.24	32.72	1114
	867	4306	0.29	0.12	0.36	0.17	0.59	8.02	2.23	28.41	663
	813	3636	0.26	0.08	0.22	0.16	0.56	7.42	2.05	27.43	589
	466	3239	0.26	0.06	0.20	0.09	0.56	7.35	1.84	25.79	487
	355	2056	0.24	0.05	0.07	0.08	0.53	6.77	1.82	23.65	475
	295	1743	0.21	0.05	0.05	0.06	0.45	6.04	1.67	21.95	421
	92	1679	0.21	0.05	0.03	0.02	0.40	5.48	1.62	21.64	414
	44	1636	0.16	0.04	0.02	0.01	0.39	4.98	1.52	19.95	400
	21	1515	0.13	0.04	0.01	0.01	0.38	4.75	1.47	17.97	354
	0	1229	0.12	0.02	0	0	0.38	4.66	1.46	16.29	273
	0	692	0.09	0.02	0	0	0.37	3.25	1.39	16.06	252
	-149	619	0.08	0.02	0	-0.01	0.36	2.93	1.34	15.26	170
	-797	606	0.08	0.01	0	-0.08	0.29	2.27	1.13	14.92	111
		473	0.05	0.01	0		0.25	1.43	0.83	14.42	109
o.	N=13	N=14	N=14	N=14	N=14	N=13	N=14	N=14	N=14	N=14	N=14
edian	M=92	M=1657.5	M=0.185	M=0.045	M=0.025	M=0.02	M=0.395	M=5.23	M=1.57	M=20.795	M=414

Values in thousands of dollars.

Table A-12

Difference Values, in Rank Order, Reflecting
Changes Between 1977 and 1981 on Selected Indices:
Mixed Institutions

	Unrestricted Current Fund Balance*	Enrollment Percent Increase	Gov't. Grants/ Current Fund Revenue**	Title III Rev./Current Fund Revenue**	Private Gifts Rev./Current Fund Revenue**	Current Fund Bal./ Current Fund Expenditure**	Instr. Exp./ E&G Expense**	Per Student E&G*	Instr. Exp. Per FTE Student*	Title III Revenue*
	302	0.56	0.06	0.05	0.10	0.12	0.18	2.78	0.74	519
	294	0.28	0.05	0.03	0.03	0.08	0.09	1.92	0.55	208
	218	0.25	0.01	-0.01	0.03	0.02	0.01	1.77	0.36	75
	143	0.24	0.01	-0.01	0	0.01	0.01	1.67	0.35	0
	74	0.18	0	-0.01	0	0.01	0	1.66	0.33	-8
	5	0.18	0	-0.01	0	0	0	1.25	0.32	-33
	-27	0.16	-0.01	-0.01	0	-0.01	0	1.11	0.32	-43
	-191	0.12	-0.01	-0.02	0	-0.04	-0.01	1.08	0.24	-49
	-240	0.10	-0.01	-0.02	-0.01	-0.06	-0.02	0.98	0.20	-52
	-462	0.06	-0.03	-0.02	-0.01	-0.06	-0.02	0.83	0.17	-96
	-746	-0.04	-0.04	-0.04	-0.04	-0.07	-0.05	0.31	0.13	-148
	-759	-0.07	-0.06	-0.04	-0.06	-0.08	-0.06	0.23	0.13	-189
	-1257	-0.13	-0.25	-0.06	-0.08	-0.12	-0.08	0.10	0.09	-191
	-1409	-0.17	-0.28	-0.11	-0.22	-0.49	-0.12	-1.01	-0.10	-449
o.	N=14	N=14	N=14	N=14	N=14	N=14	N=14	N=14	N=14	N=14
edian	M=-109	M=0.14	M=-0.01	M=0.01	M=0	M=-0.025	M=-0.005	M=1.095	M=0.28	M=-46

Values in thousands of dollars.

* Differences in 1981 vs. 1977 ratios are expressed in percentage points.

Appendix B

Executive Summary of Prior Relevant Work:

"An Evaluability Assessment of the Strengthening Developing Institutions Program"

(Title III, Higher Education Act of 1965)

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EXCERPT FROM:

An Evaluability Assessment of the Strengthening Developing Institutions Program (Title III, Higher Education Act of 1965)

Project Officers: James P. Maxwell (October 1980 - February 1981)
Sal Corrallo (March 1981 - September 1981)
Ann Hershner (October 1980 - September 1981)

Prepared for

Office of Planning and Evaluation Service
United States Department of Education

Contract No. 300-80-0834

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Report No. RTI/2102/01F

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This report documents the first phase of the work completed under contract number 300-80-0834 with the Office of Planning and Evaluation Service, U.S. Department of Education. However, the content does not necessarily reflect the position or policy of that agency and no official endorsement of these materials should be inferred. The amount charged to the Department of Education for the work resulting in this report (including the funds expended for this phase of the study along with other activities related to other tasks) was $148,659.

EXECUTIVE SUMMARY

An Evaluability Assessment of the Strengthening Developing Institutions Program

INTRODUCTION

This is a summary of an evaluability assessment conducted under contract with the Department of Education (ED) by the Research Triangle Institute (RTI) and its subcontractor, the Center for Systems and Program Development, during Fiscal Year 1981. The evaluability assessment is one of a series of studies in direct response to the 1974 Congressional mandate (General Education Provisions Act, 20 U.S.C 1226C) to define or otherwise determine goals and objectives for all Federally supported education programs.

The assessment has focused on the "Strengthening Developing Institutions Program," initially authorized and operated since 1966 under Title III of the Higher Education Act of 1965 (P.L. 89-329), and subsequent amendments.

BACKGROUND

The Strengthening Developing Institutions Program is the major source, through grants to individual institutions or consortia of institutions, of direct Federal support to U.S. colleges and universities, with academic year 1980-81 involvement of slightly less than 400 grantees (including institutions and consortia) and total funding of approximately $110,000,000. The program is currently managed and operated by the Office of Institutional Support (OIS), an activity assigned administratively to the Assistant Secretary for Postsecondary Education; negotiation of grants and fiscal management is consigned to ED's Office of Procurement and Assistance Management (OPAM).

Under legislation and rules and regulations applicable to the 1980-81 academic year, grants were made to eligible institutions to assist them to "strengthen their academic quality, administrative capacity, and student services."[1] These outcomes may be fostered through such allowable activities as: the clarification of institutional missions or goals, the improvement of the curriculum, the strengthening of administrative services and fiscal management, and the development of innovative academic programs. Institutions intended to benefit from the program are "developing institutions," which the applicable rules defined as institutions that "...are struggling for survival; ...are isolated from the main currents of academic life;...possess the desire and potential to make a substantial and distinct contribution from other institutions by enrolling and graduating a significant number of economically deprived students, and...are making a reasonable effort to improve the quality of their programs."[2]

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1 Final Rules, Strengthening Developing Institutions Program. Federal Register, Vol. 44, No. 63 (Friday, March 30, 1979), pp. 19128-19143. Citation is from §169:1, "Program and Regulation Purposes," p. 19135.

2 Ibid., §169.31, p. 19139.

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METHODOLOGY

Evaluability assessment is a management-oriented research strategy that focuses on (1) the extraction, clarification, and explication of program objectives, as expressed by the Congress, as interpreted by program officials and managers, and as revealed by field operation of the program; (2) the explication of sequential management events perceived necessary for the attainment of program objectives; (3) the determination of the actual sequence of events that take place; (4) the establishment of the plausibility of the underlying assumptions that particular strategies and/or events will produce the desired results; (5) the identification or development of objective and relevant indices that may be used to attest program impact; and (6) the determination of whether or not the program as operated is amenable to assessment.

Steps taken in the evaluability assessment included (1) the collection and review of program documentation--the legislation and amendments, the rules and regulations, internal management documents, prior research studies, etc; (2) a series of discussions with Federal officials, program managers, and Congressional staff, to obtain their perceptions of program purposes, their particular roles, and strategies they feel will accomplish program and institutional goals; and (3) a limited study of field operation of the program through an examination of operational plans of selected institutions, and semi-structured on-site interviews and observations at nine funded institutions.

FINDINGS

Program Goals and Objectives

Several kinds of evidence serve to define program goals and objectives. Relevant for this purpose are (1) goals and objectives directly stated in the statutory and regulatory authority; (2) specifications of the intended beneficiaries; (3) specifications of "proper" or allowable activities; and (4) interpretations and requirements of program officials and managers, in the operation of the program, as to what is legitimate activity under the legislative authority.

Our examination reveals that, in the simplest form, the program's objectives from the kinds of evidence cited are as depicted in Figure A. That is, the purpose of the program is first and foremost to assist institutions that have limited means, and that are serving low-income students, to increase their self-sufficiency (or to decrease their dependency on Federal support) (an emphasis in the legislation), and/or to improve the viability of such institutions by providing needed support (a frequent emphasis in program practice). In this regard, it is significant to note that the new (1980) legislation,[3] and currently proposed rules and regulations,[4] make the attainment of independence from Federal support a prime objective, and refute the continuing maintenance *per se* of any higher education institution.

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3 Title III, Higher Education Act of 1980 (P.L. 96-374).

4 *Federal Register*, Vol. 46., No. 138, July 20, 1981, pp. 37470-37482.

TITLE III PROGRAM OUTCOME OBJECTIVES

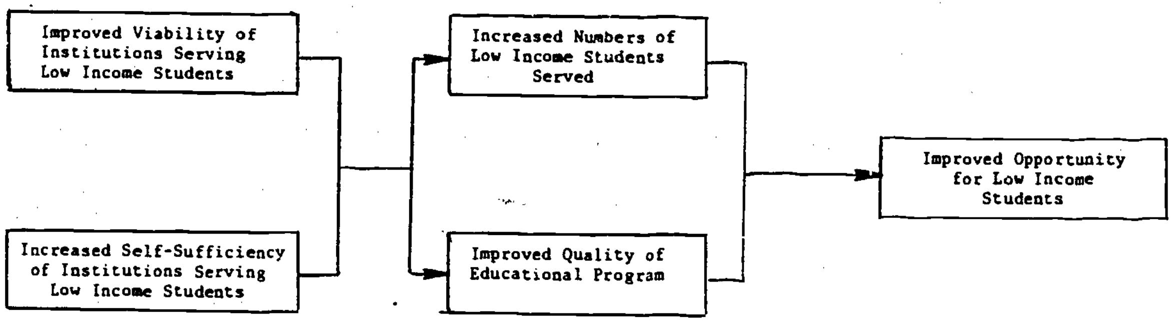

Figure A. Interpretation of Outcome Objectives of the Title III Program in Fiscal Years 1980 and 1981.

Although it is clear that the program is primarily one of institutional support and is directed toward institutional development, it is equally clear that such support and development should permit institutions to maintain or increase their service to low income students and to provide them an improved quality of educational program and treatment. Such an outcome is expected in turn to improve educational and vocational opportunity for such students. Thus, the program logic, in terms of these objectives, is quite straightforward.

One potential dilemma, however, may be noted at this point: is it plausible to expect that institutions with limited means and resources, and with focus on students of limited financial resources, can indeed generate, through Title III or other activities, increased fiscal support that may guarantee both survival and a program of reasonable quality? The fact that some institutions have continued in the program for a number of years without replacing the Federal support needed (or would probably close if the support were withdrawn) is a documentable reality. The clarification of intent in the 1980 legislation that institutions employ Title III activity for the achievement of self-sufficiency is now explicit as well as implicit.

The Sequential Events Defining the Program

The evaluability assessment inquiry revealed that the sequential events defining the Title III program are as depicted in the "logic model" or flow chart presented as Figure B. Each block in that chart shows a discrete event--classified in one or another of four phases (Program Authorization, Program Activation, Program Operation, and Program Outcomes)--that take place, in the

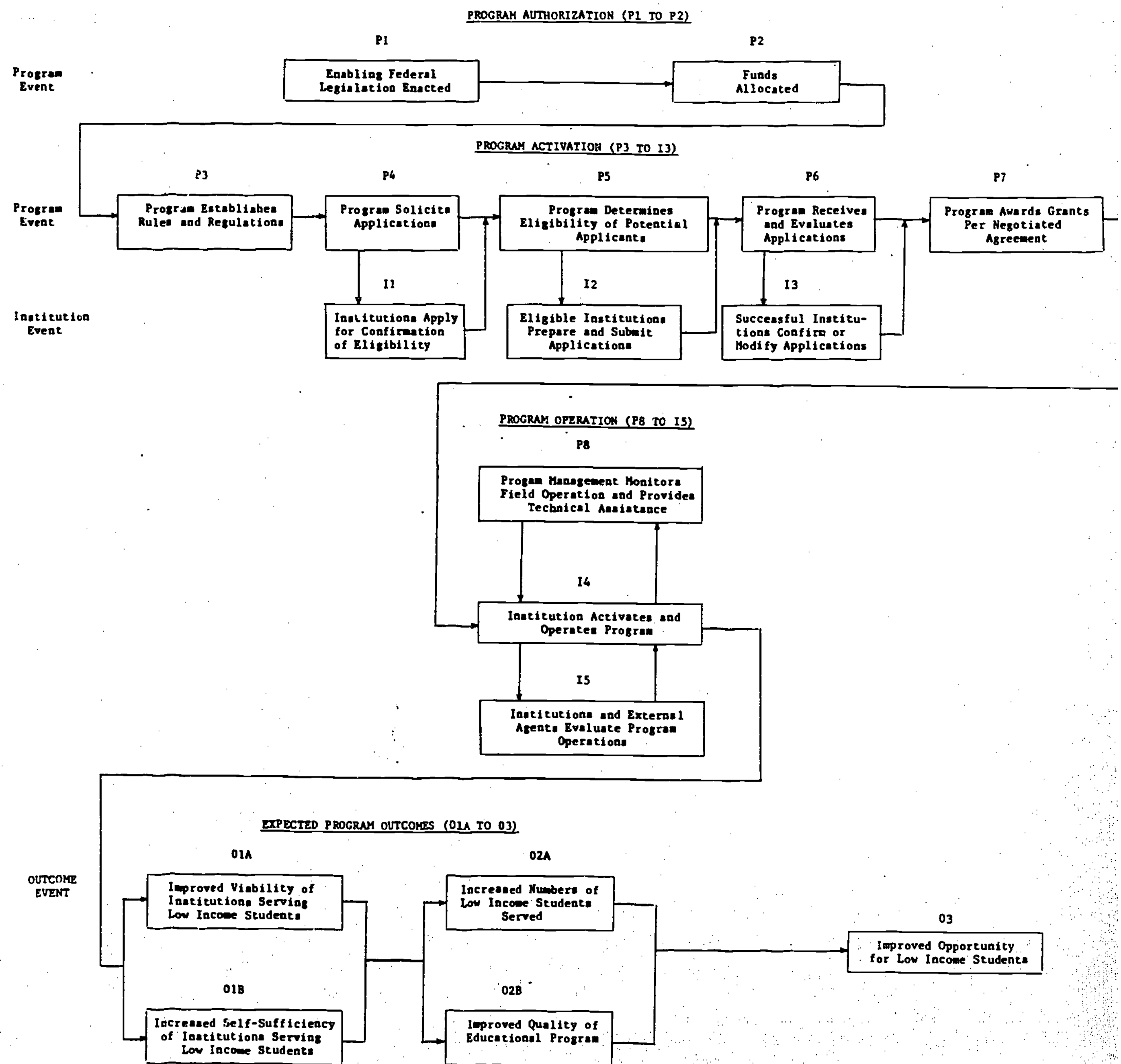

Figure B. Logic Model for the Title III Program (in four sequential phases).

NOTE: Events characterized as P1, P2, etc., are Program events; events characterized as I1, I2, etc., are Institutional-based events; events characterized as 01A, etc., are expected outcome events.

sequence shown, for a cycle of program operation. Note, however, that specific outcomes are not requisite for the cycle and, in fact, may vary substantially from institution to institution and/or from year to year.

(The evaluability assessment also determined the sequential activities that lead to each event in the program authorization, activation, and operation phases. These are not presented in this summary because of the space and detail required for adequate exposition; the interested reader is referred to Chapter IV of the report.)

Plausibility Evidence for the Events in the Title III Program

The evidence to support the plausibility of the events is generally quite positive with regard to events in the program authorization and activation phases. The structure of events in these phases, though complex and seldom trouble free in any cycle of program operation, is clear and readily documentable. Such is less evident in the operational phase, where program monitoring by OIS becomes a relatively informal and quite variable set of activities in practice. This was variously attributed to such "facts of life" as: limited staff time (or funds for inspection of field activities); limitations of staff experience with or knowledge of the diverse array of institutions and Title III activities, and the substantive nature of those activities (or, the conviction that the institution and its specialists are in a better position to determine structure and monitor quality); the complexity of the activities (and the difficulties of establishing a standard working taxonomy that could describe discrete activities operated under the program by the array of institutions).

Little or no evidence was found that routinely required reports of progress and attainment, showing milestones achieved and presenting evidence of attainment of activity objectives in terms of outcome measures, are regularly noted and utilized by program management (or for that matter, accessible in the technical monitors' files). We found further absence of concern for evaluation reports from the institutions or their external agents. The relatively limited evaluative evidence that can be assembled, in the management office files or at the institutions, is most frequently in the form of achievement of steps in the activity process (e.g., computer ordered, computer received, staff hired, software developed, programs operating) rather than in the form of <u>impact</u> criteria (e.g., reduced operating costs, before-after measure of student performance, etc.).

While this situation can readily be viewed with alarm, it should be noted that virtually any administrative, instructional, or student support activity that an institution may provide can be cast in terms or format that would make it eligible for Title III support. Thus, in dealing with output or impact measures as evidence of quality of effort supported by Title III funds, one is confronted, at the institutional level, with almost any or all evaluation design problems relevant to institutional operation--e.g., the efficacy of tutoring or counseling, the impact of an improved curricular organization, the productivity of a placement function, the efficiency of a new administrative process, the impact of faculty armed with new instructional strategies or competence in discipline, etc. In the dynamic interaction of the many forces or factors that constitute the college or university operation, any impact criterion--at an institutional or student level--may be affected or moderated

by a variety of factors as well as by an activity wholly or partially funded by Title III. For example: improved student retention and graduation rates (reasonable impact criteria, in terms of Title III activity objectives) can be a function of one or more of the following: improved student learning, from whatever source; better student raw material; more lenient grading standards; improved student or faculty motivation; to name a few. In short, the impact evaluation problem at the activity level where the discrete action takes place is not one for routine solution and reporting. The application of impact evaluation to management or administrative efficiency activities is similarly variable and complex for similar and different reasons, with the different reasons including the development of standard impact criteria, the specification of a reasonable period of time for changes and consequences to manifest themselves, etc.

Program Objectives as Perceived at the Field or Institutional Level

At the institutional level, it is readily apparent that the discrete allowable activities, implemented from institution to institution in a variety of formats, content, and strategies, each have their own specific foci and objectives. Looking at the program globally, institutional observers see it as one that "will help us do a better job in carrying out our enterprise." Field activity managers and operators are reasonably concerned with their specific Title III activity goals and objectives which, though not necessarily in conflict with objectives at the program level, reflect those broader objectives in different ways and to different degrees. Put another way: an institutional president is concerned with meeting the institutional needs he or she perceives as most urgent (or, sometimes, as most likely to receive Title III support). The individuals responsible for particular activities, however, are necessarily consumed with the narrower focus of that activity: the management information specialist must be concerned with the relevance and efficiency of his data gathering and reduction operation, the basic skills specialist with improvement in student competencies, and so on. And, the program impact on the institution is, of course, the sum of the sponsored activity impact.

MANAGEMENT PROBLEMS AND OPTIONS FOR SOLUTIONS[5]

Management problems may, for orderly presentation, be identified in terms of the structured events that define the program.

With regard to the enabling legislation, the new (1980) act clarifies considerably the intent of the program, and incorporates in the new statute certain procedures originally of a regulatory nature (e.g., eligibility criteria) that have proven to be workable and consistent with Congressional intent. A new problem for management imposed by the amended legislation is in the complexity of the several parts, and their implications for management requirements. For example, for Parts A and B of the new Title III, different eligibility formulae, different floors for proportions of particular kinds of institutions that must be funded, different maximum terms of grants, all pose problems for

[5] A 41-page portion of the report is devoted to management problems and options for solution suggested by the inquiry. The reader interested in this aspect of the findings should examine Chapter VI of the complete report.

the institution in determining which route to follow, and for program management in handling the new diversities of applications and kinds of grants to be involved. Both Parts A and B can be interpreted as somewhat different strategies to achieve the same purpose. It is recommended that program management officials attempt to clarify and impose distinctive, educationally substantive, and strategic functions to be associated with each avenue for support, toward assuring that institutional merit and need, rather than brute probability of funding as a function of dollars and competion, control awards.

A second set of problems accrues from the later year distribution problems that could easily result. For example, assuming level year funding and the natural press for institutions to go for the longest term grants, FY 82 awards could encumber later fiscal year funds to an extent that only a sharply limited number of newcomers could be accomodated in FY 83 and FY 84.

Third: the new legislation and rules stress the provision by the institution of a credible long range plan, with reasonable evidence of function for Title III activities therein or thereto (toward establishing a basis for judging institutional prospect for attainment of self-sufficiency). This puts the OIS program development and operations staff squarely into the art and science of institutional development; special effort may be required to assure that they are ready for this challenge.

The published proposed regulations (Federal Register, op. cit.) make a good start on these and other management challenges.

Establishing eligibility, designed as an event prior to application but frequently in the past a concurrent event with application review, needs to be separated temporally from the application event; special care to assure correctness of published eligibility data needs to be taken. The larger problem here, however, is the uncertain (or unvalidated) meaning of the eligibility formulae or, more precisely, what institutions at different levels on the two components are likely to need and/or to accomplish, with what levels and periods of support. We also note that although current practice of designating as eligible equal portions of four classes of institutions (categorized by public-private control and 2-4 year program) is workable and politically equitable, the need for and proper utilization of Title III funds may differ (e.g., privately supported institutions have different fiscal self-sufficiency prospects than do publicly-supported institutions). Again, it would seem urgent to begin to establish empirical evidence of what institutions accomplish what, over what periods of time.

A large portion of OIS staff time and energy is invested in the application review and award process; yet, this has been one of the more visible events for critical review. A number of problems were noted, with several deserving special attention: (1) the problem of fit between reviewers' capability and the highly specialized content of activities proposed; and (2) the fit of proposed activities to Title III program purposes (as opposed to whether the activity seems legitimate in its own right, and may be construed as one that is "allowable"); (3) adequate determination of institutional ability to manage the grant activity; (4) the differential propensity of activities to generate need for additional or less support in the future; (5) the appropriateness of institutional mixes of activities; and (6) the validity of bases for staff adjustment of requested funding levels, in the face of limited information as

to what given amounts of money can accomplish in the several areas of investment.

It is recommended that careful attempts be made to match application review readers' expertise with the particular activities proposed (current strategy assumes experience in or knowledge of "developing institutions" as the prime credential). Also urgent for proper evaluation of requests is better knowledge (i.e., organized empirical evidence) of what are reasonable costs for particular activities, and of what activities lead to increased self-sufficiency or to increased dependency. Part of this would be the systematic development of indices reflecting effort and output; another part would be greater attention to more systematic and orderly record keeping, an area in apparent disarray because of other pressures or simple reliance on the perceived merit of the new application rather than on the prior specific track record. It is believed that considerable program management improvement could be effected by a formal establishment of components constituting an adequate set of records and a specification of the functions these components should serve.

It has been noted elsewhere that monitoring of field activity is not an event with much systematic structure or with standard, utilized procedures; indeed, adequate monitoring of some 400 institutions, some with as many as 15 or 20 discrete activities, would seem a difficult prospect. Monitors appear to be utilized by the institutions, and to perform well, in determining proper uses of grant funds. Yet, the monitoring activity would appear to be insufficient for helping program development and operations staff achieve any deep insights into the elements that signal a well-conceived activity and its impact, in the contexts provided by the participating institutions.

Some order could be established with the development of a taxonomy for classifying and distinguishing among different activities operated by the institution (currently, with each institution free to construct and/or combine elements to fit its own purposes, there are neither natural nor contrived bases for grouping or comparing activities across institutions). While it is not felt that a rigid structure should be imposed on institutions, it is believed that a suitable taxonomy could be developed on which institutions or program staff could classify what activity or activity components are functioning, and that more ready and effective accounting by activity could accrue. Such accounting is not seen as an end in itself, but a device to enable program management to do such things as establish reasonable cost parameters for particular kinds of activity, or to determine what activities can indeed generate their own support.

EVALUATION OPTIONS

Purposes of Evaluation

Early in the report, it was postulated that legitimate functions of evaluation include:

1. The improvement of management effectiveness, efficiency, and responsiveness--to the Congress and the general public as well as to program operators and their students;

2. The provision of an authoritative basis for revision of program objectives, guidelines, and procedures, toward enhancement of desired impact, and control or removal of deleterious effects and consequences, by all involved parties, policymakers, program managers, and program operators; and

3. The provision of accountability for the significant amount of public funds invested.

Evaluation Requirements

Little accounting, assessment, or evaluation has been accomplished in the 16 years of program operation that would satisfactorily respond to these needs. For an adequate assessment of the impact of Title III, in terms of its mandated objectives as well as the varied strategies (allowable activities) it espouses for their attainment, it is believed that three levels of evaluation are required. These are:

1. The activity level, where the activity director needs to know how well the specific objectives of that activity are met. These objectives may legitimately vary--e.g., the generation of new sources of revenue, the improvement of curricular offerings, the establishment of proper priorities for deliberate retrenchment, etc.

2. The institutional level, where chief administrative officers and their boards of control need to know the impact of Title III, immediately and ultimately, on the fiscal status of the institution, and the quality and efficiency of its operation. They also should be concerned with the degree of improvement in the institutional accommodation of the specified target students. This may be assessed directly, by trends analyses; ideally, such assessment would involve determining (a) the impacts of specific activities, and (b) their relevance for or relationship to institutional indices, in a research design that could separate out the impact of non-Title III variables.

3. The program level, where Federal officials and managers need to know, essentially, what kinds of institutions do what kinds of things with what national impact on higher education opportunity and quality. In terms of program objectives, this is a matter of numbers of funded institutions surviving and/or achieving a reasonable self-sufficiency, and the numbers of low-income students trained and appropriately deployed in work or further educational options. As institutional impact and consequences may be determined by the sum of funded activity impacts, program impact may be determined by the sum of institutional impacts. For example, what is the record of funded institutions in maintaining themselves during and following Title III participation? What are their contributions, in comparative enrollment and graduation trends, to the higher education of low income and minority students?

Conclusion with Regard to Program Evaluability

In terms of the usual requirements of evaluation design--that standard and accepted measures of input, process, context, and outcomes exist and are

or may be routinely applied; that interactions among program and other institutional variables may be recognized and appropriately controlled--it must be concluded that the program is not evaluable as currently operated.

At the activity level, this is a function of the multiplicity, variety and complexity of allowable activities, of the absence of a taxonomy that might be utilized to identify standard program operations, and the acceptance by program management of achievement of programmatic events or milestones (in lieu of criteria of impact or consequences) as evidence of program functioning.

At the institutional and program levels, relevant indices of institutional condition and development do exist, but are not routinely and systematically applied to determine if program objectives are achieved and, if so, under what circumstances. The evaluation model assumed in the prior section would require that the relationship of activity impact to institutional and program outcome characteristics be determined, toward a proper accounting for positive or negative institutional or program outcomes.

SUMMARY

The inquiry reported was concerned principally with determining the current status of evaluation or prospect for evaluation in the Title III program. It was found that what evaluation practices are built in and operating are principally of the process type (i.e., are concerned with the attainment of progressive developmental steps), rather than involving standard or varied measures of output or consequences. Adequate evaluation is believed possible if such is structured separately at the activity, institution, and program levels, and if the relationship of activity level output and consequence to institutional level output and consequence (and of institution contribution to program) is systematically determined. At the program level, it is practical to anticipate that good use could be made of selected Higher Education General Information Survey (HEGIS) data, if indices are properly selected, and comparison groups deliberately contrived.

Most of the management problems noted--and the current lack of any good evidence of what the more than one billion dollars to date have accomplished in terms of promoting or keeping target institutions viable, or what benefits have accrued to the target students--hinge on the absence of formal and systematic evaluation information. The best evidence of impact is that X institutions have felt the need for Y dollars, and of that amount, Z dollars have been dispersed and utilized. The problem of evaluation, given the complexity of the program and the variety of instrumental activities, is not a simple one. Yet, it is believed that modest attempts to define and measure outcomes and consequences can contribute to most program management problems noted in a substantive way.

The affirmation of the objective of attainment of self-sufficiency that will govern awards made under the new legislation underscores the urgency of formal determination of what impact Title III funds, through the various activities and in the various contexts, actually yield in this regard. That is, what kinds of institutions, under what circumstances and through what activities, make effective use of Title III or other "soft" monies in attaining self-sufficiency? What practices, if any, lead to increased dependency or jeopardy to continued operation? A case study approach would afford insights

into this process, as well as suggest both hypotheses and measures that could be employed in more structured evaluation activities. An inquiry of this sort would seem to represent an important programmatic need.

Appendix C

1. Text of Title III, Public Law 96-374,
October 3, 1980

2. Final Regulations for the Institutional Aid Programs
(Excerpt from the Federal Register of Tuesday, January 5, 1982)

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Public Law 96-374
96th Congress

An Act

To amend and extend the Higher Education Act of 1965, and for other purposes.

Oct. 3, 1980
[H.R. 5192]

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Education Amendments of 1980".

Education Amendments of 1980
20 USC 1001 note.

TITLE III -- ESTABLISHMENT OF A NEW TITLE III OF THE HIGHER EDUCATION ACT OF 1965

TITLE III—ESTABLISHMENT OF A NEW TITLE III OF THE HIGHER EDUCATION ACT OF 1965

PROGRAMS AUTHORIZED

SEC. 301. Title III of the Act is amended to read as follows:

"TITLE III—INSTITUTIONAL AID

"FINDINGS AND PURPOSES

20 USC 1051.

"SEC. 301. (a) The Congress finds that—

"(1) many institutions of higher education in this era of declining enrollments and scarce resources face problems which threaten their ability to survive;

"(2) the problems relate to the management and fiscal operations of certain institutions of higher education, as well as to an inability to engage in long-range planning, recruitment activities, and development activities;

"(3) the solution of the problems of these institutions would enable them to become viable, thriving institutions of higher education; and

"(4) these institutions play an important role in the American system of higher education, and there is a strong national interest in assisting them in solving their problems and in stabilizing their management and fiscal operations.

"(b) It is the purpose of this title to assist such institutions through a program of Federal assistance.

"PART A—STRENGTHENING INSTITUTIONS

"PROGRAM PURPOSE

"SEC. 311. (a) The Secretary shall carry out a program, in accordance with this part, to improve the academic quality, institutional management, and fiscal stability of eligible institutions, in order to increase their self-sufficiency and strengthen their capacity to make a substantial contribution to the higher education resources of the Nation. 20 USC 1057.

"(b) From the sums available for this part under section 347(a)(1), the Secretary may award grants to any eligible institution with an application approved under section 341 in order to assist such an institution to plan, develop, or implement activities that promise to strengthen the institution. Special consideration shall be given to applications which propose to engage in the following activities pursuant to the institution's plan: Grants.

"(1) faculty development;

"(2) funds and administrative management;

"(3) development and improvement of academic programs;

"(4) acquisition of equipment for use in strengthening funds management and academic programs;

"(5) joint use of facilities such as libraries and laboratories; and

"(6) student services.

"DEFINITIONS

"SEC. 312. For purposes of this part: 20 USC 1058.

"(1) The term 'educational and general expenditures' means the total amount expended by an institution of higher education for instruction, research, public service, academic support (including library expenditures), student services, institutional support, scholarships and fellowships, operation, and maintenance expenditures for physical plant, and any mandatory transfers which the institution is required to pay by law.

"(2) The term 'eligible institution' means—

"(A) an institution of higher education—

"(i)(I) which, in the case of an institution which awards a bachelor's degree, has an enrollment which includes a substantial percentage of students receiving awards under subpart 1 of part A of title IV, the average amount of which is high in comparison with the average amount of all grants awarded under such subpart to students at such institutions, and (II) which, in the case of junior or community colleges, has an enrollment which includes a substantial percentage of students receiving awards under subpart 1 of title IV, the average amount of which is high in comparison with the average amount of all grants awarded under such subpart to students at such institutions; 20 USC 1070a.

"(ii) except as provided in section 342(a), the average educational and general expenditures of which are low, per full-time equivalent undergraduate student, in comparison with the average educational and general expenditures per full-time equivalent undergraduate student of institutions that offer similar instruction;

"(iii)(I) is legally authorized to provide, and provides within the State, an educational program for which it

awards a bachelor's degree, or (II) is a junior or community college;

"(iv) is accredited by a nationally recognized accrediting agency or association determined by the Secretary to be reliable authority as to the quality of training offered or is, according to such an agency or association, making reasonable progress toward accreditation;

"(v) except as provided in section 342(b) has, during the five academic years preceding the academic year for which it seeks assistance under this part—

"(I) met the requirement of either clause (iii)(I) or (iii)(II), or of both such clauses (simultaneously or consecutively); and

"(II) met the requirement of clause (iv); and

"(vi) meets such other requirements as the Secretary may prescribe; or

"(B) any branch of any institution of higher education described under subparagraph (A) which by itself satisfies the requirements contained in clauses (i) and (ii) of such subparagraph.

For purposes of the determination of whether an institution is an eligible institution under this paragraph, the factor described under subparagraph (A)(i) shall be given twice the weight of the factor described under subparagraph (A)(ii).

"(3) The term 'full-time equivalent students' means the sum of the number of students enrolled full time at an institution, plus the full-time equivalent of the number of students enrolled part time (determined on the basis of the quotient of the sum of the credit hours of all part-time students divided by twelve) at such institution.

"(4) The term 'junior or community college' means an institution of higher education—

"(A) that admits as regular students persons who are beyond the age of compulsory school attendance in the State in which the institution is located and who have the ability to benefit from the training offered by the institution;

"(B) that does not provide an educational program for which it awards a bachelor's degree (or an equivalent degree); and

"(C) that—

"(i) provides an educational program of not less than two years that is acceptable for full credit toward such a degree, or

"(ii) offers a two-year program in engineering, mathematics, or the physical or biological sciences, designed to prepare a student to work as a technician or at the semiprofessional level in engineering, scientific, or other technological fields requiring the understanding and application of basic engineering, scientific, or mathematical principles of knowledge.

"DURATION OF GRANT

20 USC 1059.

"SEC. 313. (a) The Secretary may award a grant to an eligible institution under this part for—

"(1) not to exceed three years, or

"(2) not less than four nor more than seven years,

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subject for each fiscal year to the availability of appropriations therefor. The Secretary shall not accept the application of an eligible institution for a grant under both paragraphs (1) and (2) for a fiscal year.

"(b) The Secretary shall not award a grant under this part to an eligible institution that has, for any prior fiscal year, received a grant under subsection (a)(2).

"(c) Notwithstanding subsection (a), the Secretary may award a grant to an eligible institution under this part for a period of one year for the purpose of assisting such institution in the preparation of plans and applications under this part.

"PART B—AID TO INSTITUTIONS WITH SPECIAL NEEDS

"PROGRAM PURPOSE

"SEC. 321. (a) The purpose of this part is to provide for a program of short-term Federal assistance to strengthen the planning, management, and fiscal capabilities of institutions with special needs. 20 USC 1060.

"(b) From the sums available for this part under section 347(a)(1), the Secretary may make grants to any institution with special needs with an application approved under section 341 in order to assist such an institution to plan, develop, or implement activities consistent with the purpose of this part. Such activities shall include— Grants.

"(1) faculty development;

"(2) funds and administrative management;

"(3) development and improvement of academic programs;

"(4) acquisition of equipment for use in strengthening funds management and academic programs;

"(5) joint use of facilities such as libraries and laboratories; and

"(6) student services.

"DEFINITIONS

"SEC. 322. (a) For purposes of this part: 20 USC 1061.

"(1) The term 'educational and general expenditures' means the total amount expended by an institution of higher education for instruction, research, public service, academic support (including library expenditures), student services, institutional support, scholarships and fellowships, operation, and maintenance expenditures of physical plant, and any mandatory transfers which the institution is required to pay by law.

"(2) The term 'institution with special needs' means—

"(A) an institution of higher education—

"(i)(I) which, in the case of an institution which awards a bachelor's degree, has an enrollment which includes a substantial percentage of students receiving need-based assistance under title IV of this Act, the average amount of which assistance is high in comparison with the average amount of all assistance provided under such title to students at such institutions, and (II) which, in the case of junior or community colleges, has an enrollment which includes a substantial percentage of students receiving need-based assistance under title IV, the average amount of which assistance is high in comparison with the average amount of all assistance provided under such title to students at such institutions; 20 USC 1070.

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"(ii) except as provided in section 342(a), the average educational and general expenditures of which are low, per full-time equivalent undergraduate student, in comparison with the average educational and general expenditures per full-time equivalent undergraduate student of institutions that offer similar instruction;

"(iii)(I) is legally authorized to provide, and provides within the State, an educational program for which it awards a bachelor's degree, or (II) is a junior or community college;

"(iv) is accredited by a nationally recognized accrediting agency or association determined by the Secretary to be reliable authority as to the quality of training offered or is, according to such an agency or association, making reasonable progress toward accreditation;

"(v) except as provided in section 342(b) has, during the five academic years preceding the academic year for which it seeks assistance under this part—

"(I) met the requirement of either clause (iii)(I) or (iii)(II), or of both such clauses (simultaneously or consecutively); and

"(II) met the requirement of clause (iv);

"(vi) has an enrollment of not less than 100 full-time equivalent students in the academic year for which the determination is made; and

"(vii) meets such other requirements as the Secretary may prescribe; or

"(B) any branch of any institution of higher education described under subparagraph (A) which by itself satisfies the requirements contained in clauses (i), (ii), and (vi) of such subparagraph and which is located in a community different from that in which its parent institution is located.

For purposes of the determination of whether an institution is an eligible institution under this paragraph, the factor described under subparagraph (A)(i) shall be given the same weight as the factor described under subparagraph (A)(ii), and the Secretary may also consider the factors specified under subsection (b) of this section.

"(3) The term 'full-time equivalent students' means the sum of the number of students enrolled full time at an institution, plus the full-time equivalent of the number of students enrolled part time at such institution (determined on the basis of the quotient of the sum of the credit hours of all part-time students divided by twelve).

"(4) The term 'junior or community college' means an institution of higher education—

"(A) that admits as regular students persons who are beyond the age of compulsory school attendance in the State in which the institution is located and who have the ability to benefit from the training offered by the institution;

"(B) that does not provide an educational program for which it awards a bachelor's degree (or an equivalent degree); and

"(C) that—

"(i) provides an educational program of not less than two years that is acceptable for full credit toward such a degree, or

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ED [illegible] THE ANATOMY OF INSTRUCTIONAL PROGRAMS FOR HIGHER EDUCATION

INSTITUTIONS SERVING STUDENTS FROM LOW-INCOME BACKGROUNDS. FINAL

[illegible] REPORT. [illegible] RESEARCH TRIANGLE INST.,

DURHAM, N.C. CENTER FOR EDUCATIONAL STUDIES. OCT 68 [illegible]

"(ii) offers a two-year program in engineering, mathematics, or the physical or biological sciences, designed to prepare a student to work as a technician or at the semiprofessional level in engineering, scientific, or other technological fields requiring the understanding and application of basic engineering, scientific, or mathematical principles of knowledge.

"(b) In determining whether an institution is an institution with special needs under subsection (a)(2), the Secretary may also consider the following factors: Institutions with special needs, determination.

"(1) extreme financial limitations requiring low faculty salaries, low costs of instruction for students, and low library expenditures;

"(2) a little or no endowment, whether or not unrestricted;

"(3) a high student to faculty ratio;

"(4) a substantial percentage of students receiving need-based Federal student assistance;

"(5) limited library resources;

"(6) a low percentage of faculty with doctorate degrees;

"(7) poor physical facilities and limited resources to maintain physical facilities;

"(8) little or no support from foundations, alumni, or corporations;

"(9) limited or no sponsored research or faculty publications;

"(10) inadequate development offices and a limited capacity for long-range planning; and

"(11) poor or inadequate fiscal management and accounting procedures.

"DURATION OF GRANT

"SEC. 323. The Secretary may make a grant to any institution with special needs under this part for a period of not more than five years. A grant to enhance the planning capabilities of an institution shall not exceed one year. 20 USC 1062.

"FEDERAL SHARE

"SEC. 324. The Federal share of the cost of grants made to institutions with special needs under this part shall be 100 per centum for the first two years in which an institution receives a grant, 90 per centum for the third year an institution receives a grant, 80 per centum for the fourth year an institution receives a grant, and 70 per centum for the fifth year an institution receives a grant. Grants. 20 USC 1063.

"PART C—CHALLENGE GRANTS FOR INSTITUTIONS ELIGIBLE FOR ASSISTANCE UNDER PART A OR PART B

"ESTABLISHMENT OF CHALLENGE GRANT PROGRAM

"SEC. 331. (a)(1) From the sums available under section 347(a)(2) for each fiscal year, the Secretary may award a challenge grant to each institution— 20 USC 1064.

"(A) which is an eligible institution under part A or would be considered to be such an institution if section 312(2)(A)(iii) referred to a postgraduate degree rather than a bachelor's degree; or *Ante*, p. 1391.

"(B) which is an institution with special needs under part B or would be considered to be such an institution if section *Ante*, p. 1393.

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322(a)(2)(A)(iii) referred to a postgraduate degree rather than a bachelor's degree.

Waiver.

"(2) The Secretary may waive the requirements set forth in subparagraphs (A) and (B) of paragraph (1) with respect to a postgraduate degree in the case of any institution otherwise eligible under such paragraph for a challenge grant upon determining that the institution makes a substantial contribution to medical education opportunities for minorities and the economically disadvantaged.

"(b) The Secretary may make a grant under this section for a period of not more than 5 years. A grant under this section may be used for the programs and activities described in part A or part B, as the case may be.

Ante, pp. 1391, 1393.

"APPLICATIONS FOR CHALLENGE GRANTS

20 USC 1065.

"SEC. 332. (a) Any institution eligible for a challenge grant under section 331(a) may apply for such a grant under section 341, except that the application for the purpose of this part shall—

"(1) provide evidence that funds are available to the applicant to match funds that the Secretary is requested to make available to the institution as a challenge grant;

"(2) in the case of an application by a public institution, contain the recommendations of an appropriate State agency responsible for higher education in the State, or provide evidence that the institution requested the State agency to comment but the State agency failed to comment; and

"(3) in the case of an application by an institution described under section 331(a)(1)(B), demonstrate how challenge grant funds will be used to eradicate the conditions enumerated in section 322(b) (1) through (11), and lead to greater financial independence.

"(b) Not later than April 1 of the fiscal year preceding the fiscal year in which any grant is to be made under this part, the Secretary shall determine which institutions will receive challenge grants under this part and notify the institutions of the amount of the grant.

"(c) In approving applications for grants under this part, preference shall be given to institutions which are receiving, or have received, grants under part A or part B.

"PART D—GENERAL PROVISIONS

"APPLICATIONS FOR ASSISTANCE

20 USC 1066.

"SEC. 341. (a) Any institution which is eligible for assistance under this title may submit to the Secretary an application for assistance at such time, in such form, and containing such information, as may be necessary to enable the Secretary to evaluate its need for assistance. Subject to the availability of appropriations to carry out this title, the Secretary may approve an application for a grant under this title if the application meets the requirements of subsection (b) and shows that the applicant is eligible for assistance in accordance with the part of this title under which the assistance is sought.

Application requirements.

"(b) An institution, in its application for a grant, shall—

"(1) set forth, or describe how it will develop, a comprehensive development plan to strengthen the institution's academic quality and institutional management, and otherwise provide for institutional self-sufficiency and growth (including measurable objectives for the institution and the Secretary to use in monitoring the effectiveness of activities under this title);

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"(2) set forth policies and procedures to ensure that Federal funds made available under this title for any fiscal year will be used to supplement and, to the extent practical, increase the funds that would otherwise be made available for the purposes of section 311(b) or 321(b), and in no case supplant those funds;

"(3) set forth policies and procedures for evaluating the effectiveness in accomplishing the purpose of the activities for which a grant is sought under this title;

"(4) provide for such fiscal control and fund accounting procedures as may be necessary to ensure proper disbursement of and accounting for funds made available to the applicant under this title;

"(5) provide for making such reports, in such form and containing such information, as the Secretary may require to carry out his functions under this title (including not less than one report annually setting forth the institution's progress toward achieving the objectives for which the funds were awarded), and for keeping such records and affording such access thereto, as the Secretary may find necessary to assure the correctness and verification of such reports; Recordkeeping.

"(6) provide that the institution will comply with the limitations set forth in section 346;

"(7) include such other information as the Secretary may prescribe; and

"(8) describe in a comprehensive manner any development project for which funds are sought under the application and include— Development project.

"(A) a description of the various components of the development project, including the estimated time required to complete each such component;

"(B) in the case of any development project which consists of several components (as described by the applicant pursuant to subparagraph (A)), a statement identifying those components which, if separately funded, would be sound investments of Federal funds and those components which would be sound investments of Federal funds only if funded under this title in conjunction with other parts of the development project (as specified by the applicant);

"(C) an evaluation by the applicant of the priority given any development project for which funds are sought in relation to any other projects for which funds are sought by the applicant under this title, and a similar evaluation regarding priorities among the components of any single development project (as described by the applicant pursuant to subparagraph (A));

"(D) in the case of a request for an award for a period of more than one year, a statement of reasons explaining why funds are necessary for each year of such period and why a single year award would be inadequate;

"(E) information explaining the manner in which the development project will assist the applicant to prepare for the critical financial problems that all institutions of higher education will face during the subsequent decade as a result of declining enrollment, increased energy costs, and other problems;

"(F) a detailed budget showing the manner in which funds for any development project would be spent by the applicant; and

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"(G) a detailed description of any activity which involves the expenditure of more than $25,000, as identified in the budget referred to in subparagraph (F).

"WAIVER AUTHORITY AND REPORTING REQUIREMENT

20 USC 1067.

"SEC. 342. (a)(1) The Secretary may waive the requirements set forth in section 312(2)(A)(ii) or section 322(a)(2)(A)(ii) if the Secretary determines, based on persuasive evidence submitted by the institution, that the institution's failure to meet that criterion is due to factors which, when used in the determination of compliance with such criterion, distort such determination, and that the institution's designation as an eligible institution under part A or as an institution with special needs under part B (as the case may be) is otherwise consistent with the purposes of such parts.

Ante, p. 1391.
Ante, p. 1393.

Report to Congress.

"(2) The Secretary shall submit to the Congress each year a report concerning the institutions which, although not satisfying the criterion contained in section 312(2)(A)(ii) or section 322(a)(2)(A)(ii), have been determined to be eligible institutions under part A or institutions with special needs under part B, as the case may be. Such report shall—

"(A) identify the factors referred to in paragraph (1) which were considered by the Secretary as factors that distorted the determination of compliance with section 312(2)(A)(ii) or section 322(a)(2)(A)(ii), as the case may be; and

"(B) contain a list of each institution determined to be an eligible institution under part A or as an institution with special needs under part B and include a statement of the reasons for each such determination.

Waiver qualifications.

"(b) The Secretary may waive the requirement set forth in sections 312(2)(v) and 322(a)(2)(v) in the case of an institution—

"(1) located on or near an Indian reservation or a substantial population of Indians, if the Secretary determines that the waiver will substantially increase higher education opportunities appropriate to the needs of American Indians;

"(2) wherever located, if the Secretary determines that the waiver will substantially increase higher education opportunities appropriate to the needs of Spanish-speaking people;

"(3) wherever located, if the Secretary determines that the waiver will substantially increase higher education opportunities appropriate to the needs of individuals living in rural areas, whose needs are for the most part unserved by other postsecondary education institutions;

"(4) wherever located, if the Secretary determines that the waiver will substantially increase higher education opportunities appropriate to the needs of low-income individuals; or

"(5) wherever located, if the Secretary determines that the institution has traditionally served substantial numbers of black students.

"APPLICATION REVIEW PROCESS

20 USC 1068.

Conflict of interest safeguard.

"SEC. 343. (a)(1) All applications submitted under this title by institutions of higher education shall be read by a panel of readers composed of individuals selected by the Secretary. The Secretary shall ensure that no individual assigned under this section to review any application has any conflict of interest with regard to the application which might impair the impartiality with which the individual conducts the review under this section.

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"(2) All readers selected by the Secretary shall receive thorough instruction from the Secretary regarding the evaluation process for applications submitted under this title and consistent with the provisions of this title, including—

"(A) explanations and examples of the types of activities referred to in section 311(b) that should receive special consideration for grants awarded under part A and of the types of activities referred to in section 321(b) that should receive special consideration for grants awarded under part B; *Ante*, p. 1391. *Ante*, p. 1393.

"(B) an enumeration of the factors to be used to determine the quality of applications submitted under this title; and

"(C) an enumeration of the factors to be used to determine whether a grant should be awarded for a project under this title, the amount of any such grant, and the duration of any such grant.

"(b) In awarding grants under this title, the Secretary shall take into consideration the recommendations of the panel made under subsection (a).

"(c) Not later than June 30 of each year, the Secretary shall notify each institution of higher education making an application under this title of— Applicant notification.

"(1) the scores given the applicant by the panel pursuant to this section,

"(2) the recommendations of the panel with respect to such application, and

"(3) the reasons for the decision of the Secretary in awarding or refusing to award a grant under this title, and any modifications, if any, in the recommendations of the panel made by the Secretary.

"COOPERATIVE ARRANGEMENTS

"SEC. 344. (a) The Secretary may make grants to encourage cooperative arrangements— Grants. 20 USC 1069.

"(1) with funds available to carry out part A, between institutions eligible for assistance under part A; or

"(2) with funds available to carry out part B, between institutions eligible for assistance under part B;

for the activities described in section 311(b) or section 321(b), as the case may be, so that the resources of the cooperating institutions might be combined and shared to achieve the purposes of such parts and avoid costly duplicative efforts.

"(b) The Secretary shall give priority to grants for the purposes described under subsection (a) whenever the Secretary determines that the cooperative arrangement is geographically and economically sound.

"(c) Grants to institutions having a cooperative arrangement may be made under this section for a period as determined under section 313 or 323, as the case may be.

"ASSISTANCE TO INSTITUTIONS UNDER OTHER PROGRAMS

"SEC. 345. (a) Each institution which the Secretary determines to be an eligible institution under part A or an institution with special needs under part B shall be eligible for waivers in accordance with subsection (b). 20 USC 1069a.

"(b)(1) Subject to, and in accordance with, regulations promulgated for the purpose of this section, in the case of any application by an Waiver.

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institution referred to in subsection (a) for assistance under any programs specified in paragraph (2), the Secretary is authorized, if such application is otherwise approvable, to waive any requirement for a non-Federal share of the cost of the program or project, or, to the extent not inconsistent with other law, to give, or require to be given, priority consideration of the application in relation to applications from other institutions.

Ante, p. 1383, 20 USC 1070, *ante*, p. 1472, 20 USC 1133.

"(2) The provisions of this section shall apply to any program authorized by title II, IV, VII, or VIII of this Act.

"(c) The Secretary shall not waive, under subsection (b), the non-Federal share requirement for any program for applications which, if approved, would require the expenditure of more than 10 per centum of the appropriations for the program for any fiscal year.

"LIMITATIONS

20 USC 1069b.

"SEC. 346. The funds appropriated under section 347 may not be used—

"(1) for a school or department of divinity or any religious worship or sectarian activity;

"(2) for an activity that is inconsistent with a State plan for desegregation of higher education applicable to such institution;

"(3) for an activity that is inconsistent with a State plan of higher education applicable to such institution; or

"(4) for purposes other than those set forth in the approved application under which the funds were made available to the institution.

"AUTHORIZATIONS

20 USC 1069c.

Ante, pp. 1391, 1393.

"SEC. 347. (a)(1) There are authorized to be appropriated to carry out parts A and B $175,000,000 for the fiscal year 1982, $185,000,000 for the fiscal year 1983, $200,000,000 for the fiscal year 1984, and $220,000,000 for the fiscal year 1985. Of the amounts appropriated under this paragraph for each fiscal year, 50 per centum shall be made available to carry out part A and 50 per centum shall be made available to carry out part B.

Ante, p. 1395.

"(2) There are authorized to be appropriated to carry out part C $25,000,000 for the fiscal year 1982, $35,000,000 for the fiscal year 1983, $45,000,000 for the fiscal year 1984, and $50,000,000 for the fiscal year 1985.

Multiple year award.

"(b) In the event of a multiple year award to any institution under this title, the Secretary shall make funds available for such award from funds appropriated for this title for the fiscal year in which such funds are to be used by the recipient.

Funds, allocation.

"(c)(1) Of the sums appropriated under subsection (a)(1) for any fiscal year for part A, the Secretary shall make available to use for the purposes of each such part—

"(A) not less than 24 per centum to institutions that are junior or community colleges, and

"(B) the remainder to institutions that plan to award a bachelor's degree during that year.

"(2) Of the sums appropriated under subsection (a)(1) for any fiscal year for part B, the Secretary shall make available to use for the purposes of each such part—

"(A) not less than 30 per centum to institutions that are junior or community colleges, and

"(B) the remainder to institutions that plan to award a bachelor's degree during that year.

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"(d) Of the sums appropriated under subsection (a)(1) for the purpose of part A for any fiscal year, the Secretary shall make available not less than 25 per centum for grants under section 313(a)(2). Any funds made available under this subsection for such grants which are not expended during the fiscal year for which such funds were appropriated shall remain available for expenditure for the purpose of making such grants during subsequent fiscal years. *Ante*, p. 1391.

"(e) The Secretary shall assure that in each fiscal year the amount available under part B for institutions with special needs that historically serve substantial numbers of black students will not be less than 50 per centum of the amount received by such institutions for fiscal year 1979.". *Ante*, p. 1393.

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94 STAT. 1504

Approved October 3, 1980

LEGISLATIVE HISTORY

HOUSE REPORTS: No. 96-520 (Comm. on Education and Labor) and No. 96-1251 and No. 96-1337 (Comm. of Conference).

SENATE REPORT: No. 96-733 accompanying S. 1839 (Comm. on Labor and Human Resources).

CONGRESSIONAL RECORD:

Vol. 125 (1979): Oct. 29, Nov. 2, 7, considered and passed House.

Vol. 126 (1980): June 23, S. 1839 considered in Senate.
June 24, H.R. 5192 considered and passed Senate, amended in lieu of S. 1839.
Aug. 28, House agreed to conference report.
Sept. 4, House agreed to conference report.
Sept. 18, House agreed to second conference report.
Sept. 25, Senate agreed to second conference report.

WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS:

Vol. 16, No. 40 (1980): Oct. 3, Presidential statement.

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federal register

Tuesday
January 5, 1982

Part XIV

Department of Education

Institutional Aid Programs

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DEPARTMENT OF EDUCATION

34 CFR Parts 624, 625, 626 and 627

Institutional Aid Programs

AGENCY: Department of Education.

ACTION: Final regulations.

SUMMARY: The Secretary of Education issues final regulations for the Institutional Aid Programs authorized by Title III of the Higher Education Act of 1965, as amended. The regulations implement the eligibility requirements and establish the application procedures and selection criteria for the Institutional Aid Programs established by the Education Amendments of 1980. The programs provide assistance to institutions of higher education and include the Strengthening Program, the Special Needs Program, and the Challenge Grant Program.

EFFECTIVE DATES: Unless Congress takes certain adjournments, these regulations will take effect 45 days after publication in the Federal Register. If you want to know the effective date of these regulations, call or write the Department of Education contact person.

FOR FURTHER INFORMATION CONTACT: Dr. Claude Mayberry, Director, Institutional Aid Programs, Office of Postsecondary Education, U.S. Department of Education, L'Enfant Plaza, Post Office Box 23868, Washington, D.C. 20024. Telephone: (202) 245-6691.

SUPPLEMENTARY INFORMATION:

A. Background

Title III Institutional Aid Programs provide Federal financial assistance to help eligible institutions of higher education to solve problems that threaten their ability to survive and to stablize their management and fiscal operations so that they may achieve self-sufficiency. Beginning in fiscal year 1982, eligible institutions will be able to apply for funding under the following three new grant programs:

- *The Strengthening Program.*
- *The Special Needs Program.*
- *The Challenge Grant Program.*

These programs provide funds to plan, develop, and implement activities for: the development of academic programs and faculty; administrative management; acquisition of equipment for use in management of funds and academic programs; joint use of facilities such as libraries and laboratories; and student services.

Federal assistance under these programs may not be used to cover any general operating and maintenance expenses of grantees or to supplant what an institution would otherwise spend to carry out activities allowed under the programs. The purpose of these programs, as expressed in section 301 of the Higher Education Act, is to assist eligible institutions to carry out planning and development activities that will enable them to become viable, thriving institutions of higher education and, therefore, free from the need for continued assistance under Title III.

Thus, the Secretary provides the following:

- *Planning grants* to enable designated colleges and universities—including branch campuses that meet special eligibility requirements—to develop long-range plans for self-sufficiency if they do not already have acceptable long-range plans. [illegible] grants under the Strengthening Pro[illegible] may also be used to assist in the development of an application for a development grant.
- *Development grants* to enable designated institutions to implement their long-range plans.

In general, eligible recipients are institutions that are providing higher education to substantial numbers of students from low-income families and that do not yet have the capacity to carry out such activities as providing adequate management, improving academic programs and student services, or upgrading the quality of their faculty members.

Both two-year and four-year public and nonprofit private institutions of higher education are eligible for funding under all the programs. In addition, certain graduate schools and certain medical schools are eligible for funding under the Challenge Grant Program.

Both the Strengthening Program and Special Needs Program provide for grants to institutions in cooperative arrangements. A cooperative arrangement is an agreement under which two or more eligible institutions share or combine resources and otherwise cooperate in order to carry out the purposes of the Institutional Aid Programs more efficiently and effectively than if each institution were to conduct those activities separately.

B. Summary of Comments and Responses

A notice of proposed rulemaking was published in the Federal Register on July 20, 1981 (46 FR 37470-37482). Interested persons were given 60 days in which to comment. Comments were received from over 200 individuals, institutions, groups, and associations.

Most commenters were concerned with eligibility requirements in the statute and objected to the Department's interpretation that would have required an institution to meet each of three factors individually, rather than in the aggregate. As a result of comment, and with advice from members of Congress, a change in the regulations has been made. The Secretary will use a system of determining institutional eligibility that is similar to the system that was used in the past.

Under the Strengthening Program, points will be assigned on a scale of 1-100 for each criterion on the basis of the following factors: (1) The number of Pell grant recipients at the institution divided by the number of full-time equivalent (FTE) undergraduate students enrolled at that institution; (2) The total amount of the Pell grant awards received by students enrolled at the institution divided by the Pell grant recipients at that institution; and (3) Total educational and general (E&G) expenditures divided by the FTE undergraduate enrollment at that institution.

For the Special Needs Program points will be assigned to institutions on the basis of the following factors: (1) On a scale of 1-50 points, according to the number of recipients of need-based student aid at the institution divided by the number of FTE undergraduate students enrolled at that institution; (2) On a scale of 1-50 points according to the total amount of need-based assistance received by students at the institution divided by the recipients of such assistance at that institution; (3) On a scale of 1-100 points, according to the E&G expenditures at the institution divided by the FTE undergraduate student enrollment at that institution. For the purposes of the Special Needs Program, "need-based student aid programs" include the Pell Grant, Supplemental Educational Opportunity Grant, College Work-Study and National Direct Student Loan Programs.

Under each program, the number of points assigned to all three factors will be added together. All institutions with a point total above the minimum threshold established by the Secretary will satisfy these three factors. Thus, eligibility will be based on the total points received for the three factors combined, rather than for each factor separately.

The Secretary has the authority under the statute to waive the E&G expenditures requirement under certain conditions. However, any institution that seeks a waiver of the E&G requirement must meet a minimum threshold on the combined remaining factors (percentage of students receiving assistance and the average amount of that assistance). For example, an

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institution applying for funds under the Strengthening Program that is granted a waiver of the E&G criterion will have to attain a minimum number of points out of the 200 available on criteria 1 and 2.

A summary of the other comments and the Secretary's responses to them is contained in the Appendix following the regulations.

Assessment of Educational Impact

In the notice of proposed rulemaking the Secretary requested comments on whether the proposed regulations would require submission of information that is already being gathered by or is available from any other agency or authority of the United States.

Based on the absence of any comments on this matter and the Department's own review, the Secretary has determined that the regulations in this document do not require information that is already being gathered by or is available from any other agency or authority of the United States.

Invitation To Comment

To assist the Department in complying with the specific requirements of Executive Order 12291 and its overall requirements of reducing regulatory burden, public comment is invited on whether there may be further opportunities to reduce any regulatory burdens found in these regulations. Comments should be addressed to the contact person listed elsewhere in this document.

Citation of Legal Authority

A citation of statutory or other legal authority is placed in parentheses on the line following each substantive provision of these regulations.

(Catalog of Federal Domestic Assistance Number 84.031 Institutional Aid Programs)

Dated: December 28, 1981.

T. H. Bell,

Secretary of Education.

The Secretary revises Part 624 of Title 34 of the Code of Federal Regulations to read as follows:

PART 624—INSTITUTIONAL AID PROGRAMS—GENERAL PROVISIONS

Authority: Title III of the Higher Education Act of 1965, as amended (20 U.S.C. 1051–1069c).

Subpart A—General

§ 624.1 Institutional Aid Programs.

(a) The Institutional Aid Programs are designed to provide Federal funds for a limited period of time to assist eligible institutions of higher education to become self-sufficient by—

(1) Solving problems that threaten their ability to survive; and

(2) Stabilizing their management and fiscal operations.

(b) The Institutional Aid Programs consist of the following:

(1) The Strengthening Institutions Program (34 CFR Part 625), referred to in these regulations as the Strengthening Program.

(2) The Aid to Institutions with Special Needs Program (34 CFR Part 626), referred to in these regulations as the Special Needs Program.

(3) The Challenge Grant Program (34 CFR Part 627).

(20 U.S.C. 1051, 1057, 1060, and 1066)

§ 624.2 Eligible applicants.

(a) In order to apply for a grant under the Institutional Aid Programs, an institution of higher education or a branch campus must first be designated by the Secretary as an eligible institution.

(b) Before applying to the Secretary for designation as an eligible institution under § 624.20, the institution must satisfy basic eligibility requirements; that is, it must be an educational institution and—

(1) Admit as regular students persons who are—

(i) High school graduates;

(ii) The recognized equivalent of high school graduates; or

(iii) Beyond the age of compulsory school attendance in the State in which the institution is located and have the ability to benefit from the training offered by the institution;

(2) Be, and have been for five academic years preceding the academic year for which it seeks assistance, legally authorized in the State in which it is located to—

(i) Provide an educational program for which it awards a bachelor's degree; or

(ii) Be a junior or community college;

(3) Be, and have been for five academic years preceding the academic year for which it seeks assistance—

(i) Accredited by a nationally recognized accrediting agency or association; or

(ii) Making reasonable progress toward accreditation according to that accrediting agency or association; and

(4) Meet specific eligibility requirements for designation in 34 CFR 625.2, 626.2, or 627.2, as appropriate.

(c) If an institution changes its status from a junior or community college to an institution that awards bachelors' degrees or *vice versa*, it may satisfy the five-year requirements of paragraphs (b)(2) and (3) of this section by combining the periods of time it qualified as either type of institution.

(20 U.S.C. 1058, 1061, 1064, and 1141)

§ 624.3 Waiver of five-year requirement.

(a) At the request of an institution, the Secretary may waive for that institution all or part of the five-year requirements in paragraphs (b)(2) and (3) of § 624.2 if the Secretary determines that—

(1) The institution is located on an Indian reservation, or near an Indian reservation or a substantial population of Indians, and the waiver will substantially increase the higher educational opportunities appropriate to the needs of American Indians;

(2) The waiver will substantially increase higher educational opportunities for—

(i) Spanish-speaking people;

(ii) Individuals living in rural areas, whose needs are for the most part

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unserved by other institutions of higher education; or

(iii) Individuals whose income is below the poverty level established by the United States Bureau of the Census (low-income individuals); or

(3) The institution has traditionally served substantial numbers of black students.

(b)(1) For purposes of paragraph (a)(1) of this section generally the Secretary considers "near" to mean within 50 miles. However, the Secretary reserves the right to consider each distance between an institution and an Indian reservation on a case-by-case basis, according to reasons stated by the applicant in its request for a waiver; and

(2) For the purposes of paragraph (a)(2)(ii) of this section "rural area" means an area that is not included in a standard metropolitan statistical area as defined by the United States Bureau of the Census.

(c) An institution requesting a waiver under this section shall submit to the Secretary a written statement that includes sufficient information and explanations as to why the Secretary should grant the waiver.

(20 U.S.C. 1067)

§ 624.4 Eligible grantees.

The Secretary awards a grant under the Institutional Aid Programs to—

(a) An institution the Secretary has designated as eligible; or

(b) Under the Strengthening Program or the Special Needs Program, two or more eligible institutions under a cooperative arrangement.

(20 U.S.C. 1057, 1060, 1064 and 1069)

§ 624.5 Regulations that apply to the Institutional Aid Programs.

The following regulations apply to the Institutional Aid Programs:

(a) The Education Department General Administrative Regulations (EDGAR) in 34 CFR Part 75 (Direct Grant Programs) and 34 CFR Part 77 (Definitions) except for 34 CFR 75.128(a)(2) and 75.129(a), in the case of applications under cooperative arrangements.

(b) The regulations in this Part 624.

(c) The regulations in 34 CFR Parts 625, 626, or 627, as applicable.

(20 U.S.C. 1221e–3(a)(1), 1057, 1066, 1069)

§ 624.6 Definitions that apply to the Institutional Aid Programs.

(a) The following terms used in this part are defined in EDGAR, 34 CFR Part 77:

Applicant	Nonprofit
Application	Private
EDGAR	Project
Grant	Public
Grant period	Secretary
Grantee	State

(b) The following definitions apply specifically to the Institutional Aid Programs:

"Academic year" means a period of time, generally eight or nine months, in which a full-time student is expected to complete—

(1) The equivalent of at least two semesters, two trimesters, or three quarters at an institution using credit hours; or

(2) At least 900 hours training for each program at an institution using clock hours.

"Activity" means a specific component of a project for which Federal funds are requested.

"Base year" means a 12-month period identified by the Secretary through a notice in the Federal Register.

"Branch campus."

(1) This term means, in a university or college, a unit that is—

(i) Independent of the main campus; and

(ii) Geographically apart from the main campus of the university or college.

(2) The Secretary considers a branch campus to be independent of the university's or college's main campus if the branch campus—

(i) Is separately accredited;

(ii) Is permanent in nature;

(iii) Offers courses for credit and programs leading to an associate or bachelor's degree;

(iv) Is autonomous to the extent that it has its own faculty and administrative or supervisory organization; and

(v) Has its own budgetary and hiring authority.

"Comparable institutions" and "institutions that offer similar instruction" mean institutions that are being compared with an applicant institution and that fall within one of the following four categories:

(1) Four-year public institutions.

(2) Four-year non-profit private institutions.

(3) Public junior or community colleges.

(4) Nonprofit private junior or community colleges.

"Cooperative arrangement" means an agreement between two or more eligible institutions that share and combine resources and otherwise cooperate in order to carry out the purpose of the Institutional Aid Programs more effectively and efficiently than if each institution were to conduct those activities separately.

"Educational and general (E&G) expenditures" means the total amount expended by an institution of higher education for—

(1) Instruction;

(2) Research;

(3) Public service;

(4) Academic support including library expenditures;

(5) Student services;

(6) Institutional support;

(7) Scholarships and fellowships;

(8) Operation expenditures, and maintenance expenditures for physical plant; and

(9) Any mandatory transfers that the institution is required to pay by law.

"Full-time-equivalent (FTE)."

(1) This term means the sum of—

(i) The number of full-time students; and

(ii) The full-time equivalent of the number of part-time students enrolled at the institution.

(2) The Secretary determines the full-time equivalent of the number of part-time students in paragraph (1)(ii) of this definition by any method that yields the equivalent of—

(i) Adding the number of credit hours taken by all part-time students; and

(ii) Dividing that number by 12.

"General operating and maintenance expenses" means those costs that are generally recurrent or continuing in nature, such as costs of operating remedial programs, costs of classroom teaching, and costs of maintaining programs after the development period.

"Junior or community college" means an institution of higher education that provides an educational program—

(1) For which it does not award a bachelor's degree; but

(2)(i) That is of not less than two years' duration and is acceptable for full credit toward a bachelor's degree; or

(ii) That is a two-year program in engineering, mathematics, or the physical or biological sciences, designed to prepare a student to work as a technician or at the semiprofessional level in engineering, scientific, or other technological fields requiring the understanding and application of basic engineering, scientific, or mathematical principles of knowledge.

"Non-renewable grant" means a one-time-only, broad-purpose development grant designed to enable an institution or group of institutions to achieve self-sufficiency by the end of the grant period.

"Pell Grant" (formerly Basic Educational Opportunity Grant) means the grant awarded under Title IV–A–1 of the Higher Education Act of 1965, as amended (20 U.S.C. 1070a).

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"Renewable grant" means a narrow-purpose development grant, for which an institution or group of institutions may reapply, designed to help an institution or group of institutions move toward self-sufficiency.

"Self-sufficient" means the point at which, in the determination of the Secretary, an institution should be viable, thriving, and able to survive without continued funding under the Institutional Aid Programs.

"Strengthening Developing Institutions Program (SDIP)" means the program authorized under Title III of the Higher Education Act of 1965 before October 1, 1981.

(20 U.S.C. 1058, 1059, 1061, 1062, 1066, and 1069)

Subpart B—What Kinds of Projects Does the Secretary Assist Under the Institutional Aid Programs?

§ 624.10 Types of grants.

The Secretary awards two principal types of grants under the Institutional Aid Programs:

(a) *Planning grants*, as described in § 624.11.

(b) Development grants, as described in § 624.12.

(20 U.S.C. 1057, 1058, 1060, 1062, and 1064)

§ 624.11 Planning grant.

(a) Unless otherwise provided, a planning grant may be used for a project to develop—

(1) A long-range comprehensive development plan (long-range plan), as described in § 624.22;

(2) An application for a development grant; or

(3) A long-range plan and an application for a development grant.

(b) The Secretary does not consider awarding a planning grant to an institution that is receiving or has received another grant—whether a planning or a development grant—under the Institutional Aid Programs.

(c) The Secretary does not consider awarding a planning grant to develop a long-range plan to a cooperative arrangement unless the purpose of the grant is to develop a separate long-range plan for each of the participating institutions.

(20 U.S.C. 1057, 1058, 1060, 1062, and 1066)

§ 624.12 Development grant.

A development grant may be used for a project to implement portions of an applicant's long-range plan to enable it to move toward or achieve self-sufficiency.

(20 U.S.C. 1057, 1058, and 1060)

§ 624.13 Allowable activities.

(a) The Secretary awards grants under the Institutional Aid Programs to assist eligible institutions to plan, develop, or implement activities that the Secretary determines are likely to enable the institution to become self-sufficient.

(b) The following types of development activities are allowable:

(1) Development of faculty.

(2) Management of funds and administrative management.

(3) Development and improvement of academic programs.

(4) Acquisition of equipment for use in strengthening management of funds and in strengthening academic programs.

(5) Joint use of facilities such as libraries and laboratories.

(6) Student services.

(c) The Secretary does not fund an activity for which a grantee is receiving or has received a grant under—

(1) Any Institutional Aid Program; or

(2) The SDIP, if that grant is scheduled to expire after September 30, 1982.

(20 U.S.C. 1057, 1058, 1060, 1062, 1066 and 1221e-3)

Subpart C—How Does One Apply for a Grant?

§ 624.20 Designation as an eligible applicant.

(a)(1) An institution that wishes to be designated as an eligible institution for a particular Institutional Aid Program must file with the Secretary a request for designation for that program, according to the instructions contained in a notice published in the Federal Register.

(2) The Secretary annually publishes a notice in the Federal Register—

(i) Requesting applications for eligibility; and

(ii) Indicating the base year for calculating whether an institution satisfies the eligibility criteria under 34 CFR 625.2 and 626.2. The Secretary uses the most recent base year for which reliable data are available. If necessary, the Secretary may establish a separate base year for each of the three criteria described in 34 CFR 625.2 or 626.2 depending on data availability.

(b) An institution that receives a grant for a grant period lasting more than one year shall include in its annual application for a continuation award the assurance described in § 624.40(b).

(20 U.S.C. 1058, 1061, and 1064)

§ 624.21 How to apply for a grant.

(a) *General.* In an application for either a planning grant or a development grant, an applicant shall—

(1) Explain how the grant will assist the institution to prepare for the critical financial and other problems facing it in this decade;

(2) If it is requesting funding for more than one activity—

(i) Identify those activities that would be a sound investment of Federal funds if funded separately;

(ii) Identify those activities that would be a sound investment of Federal funds only if funded along with other activities in the application; and

(iii) Rank the activities in order of preferred funding;

(3) If it is applying for a grant from more than one program under the Institutional Aid Programs, rank the applications in order of preferred funding;

(4) Submit all budgetary information the Secretary may require, including a separate detailed budget for each activity;

(5) Identify the policies and procedures it will use to ensure that any Federal funds it receives as a result of the application will be used to supplement—and not supplant—funds that would otherwise be available to carry out its long-range plan;

(6) Identify the fiscal control and accounting procedures necessary for proper disbursement of and accounting for any Federal funds it receives as a result of the application; and

(7) Provide assurance to the Secretary that it will comply with the restrictions on the use of funds specified in § 624.42 (a) through (g).

(b) *Development grant.* In an application for a development grant, an applicant shall—

(1) Include its long-range plan containing all the elements required in § 624.22;

(2) Provide information that fully addresses each component of each selection criterion in § 624.33;

(3) Identify the institutional goals in its long-range plan that each proposed development activity will help achieve; and

(4) If it is requesting a multi-year grant, explain why—

(i) A multi-year grant of that length is necessary; and

(ii) A single year grant would be inadequate.

(c) *Planning grant.* In an application for a planning grant, an applicant shall provide information that fully addresses each component of each selection criterion in § 624.31.

(20 U.S.C. 1058, 1069b, and 1221e-3)

§ 624.22 Long-range plan.

(a) In its comprehensive long-range development plan (referred to in these regulations as the long-range plan), a

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institution shall describe its strategy for achieving self-sufficiency by strengthening its—

(1) Academic quality; and

(2) Institutional management.

(b) The long-range plan must include—

(1) The institutional mission statement (that is, a broad statement of fundamental purpose that includes the social and intellectual aspirations of the institution);

(2) Long-range and short-range institutional goals;

(3) Measurable objectives for each major unit of the institution;

(4) Time-frames to achieve institutional goals and unit objectives;

(5) Major resource requirements; and

(6) Strategies for evaluating the institution's success in achieving all aspects of its long-range plan.

(20 U.S.C. 1066)

§ 624.23 Applications for grants under cooperative arrangements.

(a) *General.* To apply for a grant under the Strengthening Program or the Special Needs Program, the participating institutions in a cooperative arrangement shall submit a single, collective application that includes—

(1) The information required in 34 CFR 624.21; and

(2) The names of the institutions participating in the cooperative arrangement.

(b) *Development grant.* The application for a development grant under a cooperative arrangement shall—

(1) Explain the relationship of the activities for which funding is requested to—

(i) The long-range plan of each participating institution; and

(ii) The activities each participating institution carried out or is carrying out under a renewable development grant, if any, awarded previously under the Strengthening Program;

(2) Explain the rationale for each participating institution's decision to request funds to carry out activities to achieve self-sufficiency as part of a cooperative arrangement rather than individually; and

(3) Identify the activities included in any other application the cooperative arrangement or any participating institution is submitting for funding in the same fiscal year under the Institutional Aid Programs.

(c) *Planning grant.* The application for a planning grant under a cooperative arrangement shall explain the rationale for each participating institution's decision to request funds to develop, as appropriate, its application or its long-range plan as part of a cooperative arrangement rather than individually.

(20 U.S.C. 1069)

§ 624.24 Separate applications.

If an institution wishes to apply in the same year for both a grant as an individual institution and a grant under a cooperative arrangement, the institution shall submit as an individual institution an application that is separate from the application the cooperative arrangement submits.

(20 U.S.C. 1066 and 1221e-3)

Subpart D—How Does the Secretary Make a Grant?

§ 624.30 General evaluation of applications.

(a) The Secretary evaluates an application for a planning grant on the basis of the criteria in § 624.31.

(b) The Secretary evaluates an application for a development grant on the basis of—

(1) The appropriate criterion in § 624.32 for assessing the long-range plan to achieve self-sufficiency; and

(2) The selection criteria in § 624.33.

(c)(1) The Secretary awards up to 100 points for the criteria in § 624.31 and up to 100 points for the criteria in § 624.33.

(2) The maximum possible score for each complete criterion is indicated in parentheses following the title of that criterion.

(3) In the case of criteria worth more than 10 possible points, the maximum possible score for each component of a criterion is indicated in parentheses following that component.

(d) The Secretary will not fund an application for a grant that receives less than 50 points for the criteria in § 624.31 or in §624.33

(20 U.S.C. 1221e-3)

§ 624.31 Selection criteria for planning grants.

The Secretary evaluates an application for a planning grant on the basis of the following criteria:

(a) *Plan of operation.* (Total: 50 points)

(1) The Secretary reviews each application for information that shows that the proposed project is likely to develop a high quality—

(i) Long-range plan providing for self-sufficiency;

(ii) Application; or

(iii) Long-range plan and application.

(2) The Secretary looks for information that shows—

(i) Measurable objectives appropriate to the purpose of the project (10 points); and

(ii) The quality of the project plan to achieve the objectives. The Secretary bases this assessment of quality on—

(A) The quality of the proposed strategy for developing the applicant's long-range plan or application (15 points);

(B) A realistic timetable for achieving each objective (5 points);

(C) The extent to which the applicant will use its own resources and personnel to achieve each objective (10 points); and

(D) The extent to which procedures described by the applicant in its application are likely to ensure effective administration of the proposed project (10 points).

(b) *Key personnel.* (Total: 30 points)

(1) The Secretary reviews each application for information that shows the quality of the key personnel the applicant will use to develop the long-range plan or application.

(2) The Secretary looks for information that shows—

(i) The extent to which the applicant involves its own personnel, students, and governing board members in the planning process (12 points);

(ii) The qualifications of the project director (6 points);

(iii) The role of each of the key personnel who will participate in the planning process as part of the project (6 points); and

(iv) The time that each person referred to in paragraphs (b)(2)(i) through (iii) of this section plans to commit to the project (6 points).

(c) *Budget and cost effectiveness.* (Total: 10 points)

(1) The Secretary reviews each application for information that shows that the project has an adequate budget that is cost effective.

(2) The Secretary looks for information that shows that costs are reasonable in relation to the objectives of the project.

(d) *Evaluation design.* (Total: 10 points)

(1) The Secretary reviews each application for information that shows the quality of the proposed evaluation design for the project.

(2) The Secretary looks for information that shows that—

(i) The methods of evaluation are appropriate for a planning process; and

(ii) The evaluation criteria are appropriate for determining success in achieving the objectives of the project.

(20 U.S.C. 1057, 1059, 1060, 1062, and 1221e-3)

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§ 624.32 Long-range plan to achieve self-sufficiency.

(a) The Secretary reviews each application for a development grant for information that shows whether the applicant's long-range plan provides for self-sufficiency.

(1) In the case of an application for a renewable development grant, the Secretary looks for information that shows whether implementing the long-range plan is likely to result in that institution *moving toward self-sufficiency* by the end of the proposed grant period.

(2) In the case of an application for a non-renewable development grant, the Secretary looks for information that shows whether implementing the long-range plan is likely to result in that institution *becoming self-sufficient* by the end of the proposed grant period.

(b) In reviewing the applicant's long-range plan the Secretary looks for information showing that—

(1) The institution identifies the major problems or deficiencies that inhibit it from becoming self-sufficient and thriving; and

(2) The institution proposes effective strategies to overcome each problem or deficiency.

(c) The Secretary does not consider an application for a development grant unless the applicant's long-range plan meets the appropriate criterion in paragraph (a) of this section.

Note.—The Secretary does not assign points to these criteria. Rather, the Secretary reviews an application under §§ 624.32 or 624.33 if it meets the criterion and rejects it if it does not.

(20 U.S.C. 1057, 1058, 1060, 1063, 1066, and 1221e-3)

§ 624.33 Selection criteria for development grants.

(a) *Plan of operation.* (Total: 50 points)

(1) The Secretary reviews each application for information that shows the quality of the project's plan of operation.

(2) The Secretary looks for information that shows the following:

(i) The extent to which objectives for each activity are clear, specific, and measurable (10 points).

(ii) The quality of the project plan to achieve the objectives. The Secretary bases this assessment of quality on—

(A) The quality of the implementation strategy (a complete description of what the applicant plans to do and how the applicant plans to do it) for each activity (10 points);

(B) The extent to which achieving the objectives of the proposed activities in the project plan is likely to help the institution achieve self-sufficiency (20 points);

(C) A realistic timetable for achieving the objectives of each activity (5 points);

(D) The extent to which the applicant will use its own resources and personnel to achieve each objective (15 points); and

(E) The extent to which procedures described by the applicant in its application are likely to ensure effective administration of the proposed project (10 points).

(b) *Quality of key personnel.* (Total: 10 points)

(1) The Secretary reviews each application for information that shows the quality of key personnel the applicant plans to use on the project.

(2) The Secretary looks for information that shows—

(i) The qualifications of the project director;

(ii) The qualifications of each of the key personnel to be used in the project; and

(iii) The time that each person referred to in paragraphs (c)(2) (i) and (ii) of this section plans to commit to the project.

(3) To determine the qualifications of a person, the Secretary considers evidence of past experience and training, in fields related to the objectives of the project, as well as other information that the applicant provides.

(c) *Budget and cost effectiveness.* (Total: 20 points)

(1) The Secretary reviews each application for information that shows that the project has an adequate budget that is cost effective.

(2) The Secretary looks for information that shows that costs are reasonable in relation to the objectives of the project.

(d) *Evaluation design.* (Total: 10 points)

(1) The Secretary reviews each application for information that shows the quality of the evaluation design for the project.

(2) The Secretary looks for information showing that proposed methods of evaluation are appropriate for the project and, to the extent possible, are objective and produce data that are quantifiable.

(20 U.S.C. 1057, 1060, and 1221e-3)

§ 624.34 Grants under cooperative arrangements.

(a) In considering applications from institutions that propose to carry out projects under a cooperative arrangement, the Secretary gives priority to those applications that the Secretary determines are—

(1) Geographically sound; and

(2) Economically sound.

(b) The Secretary determines that a cooperative arrangement is—

(1) Geographically sound based on the proximity of the participating institutions; and

(2) Economically sound if participating institutions demonstrate that each activity proposed in the application will be carried out more efficiently and effectively at less cost than would be possible if each participating institution were awarded a grant individually.

(c) The Secretary considers each participating institution in a cooperative arrangement to be a separate grantee for purposes of this part.

(20 U.S.C. 1068)

Subpart E—What Conditions Must a Grantee Meet?

§ 624.40 Maintenance of eligibility.

(a) A grantee under an Institutional Aid Program must maintain its eligibility under § 624.2(b) (1) through (3) of 34 CFR 627.2 (b), (c), or (d) as appropriate for the duration of the grant period.

(b) An institution that receives a grant for a grant period lasting more than one year must annually submit to the Secretary an assurance that it continues to meet eligibility requirements under § 624.2(b) (1) through (3) or 34 CFR 627.2 (b)(1)(i)–(iii), (c)(1)(i)–(iii), or (d)(1) as appropriate.

(20 U.S.C. 1058, 1061, and 1064)

§ 624.41 Fiscal requirements.

A grantee shall use Federal funds under the Institutional Aid Programs to supplement—and not supplant—funds the grantee would otherwise have available to plan, develop, or implement activities authorized under the Institutional Aid Programs.

(20 U.S.C. 1066)

§ 624.42 Restrictions on the use of funds.

A grantee may not use funds under any Institutional Aid Program for any of the following:

(a) Activities other than those in its approved application.

(b) Activities that are inconsistent with any State plan of higher education applicable to the institution.

(c) Activities that are inconsistent with a State plan for desegregation of higher education, if any, applicable to the institution.

(d) A school or department of divinity or any religious worship or sectarian activity.

(e) General operating and maintenance expenses.

(f) Indirect costs.

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(g) Construction costs except for minor remodeling as part of an approved activity.

(20 U.S.C. 1066 and 1069b)

Subpart F [Reserved]

Subpart G—What Compliance Procedures Does the Secretary Use?

§ 624.60 Failure to maintain eligibility.

If an institution does not continue to meet the basic eligibility requirements under § 624.2(b) (1) through (3) or 34 CFR 627.2 (b)(1)(i)–(iii); (c)(1)(i)–(iii) or (d)(1) during the grant period, the Secretary terminates the grant.

(20 U.S.C. 1058, 1061, and 1064)

The Secretary adds a new Part 625 to Title 34 of the Code of Federal Regulations to read as follows:

PART 625—STRENGTHENING PROGRAM

Authority: Sections 311–313 and 341–347 of Title III of the Higher Education Act of 1965 (20 U.S.C. 1057–1059 and 1066–1069c).

Subpart A—General

§ 625.1 Strengthening program.

The Strengthening Institutions Program (referred to in these regulations as the Strengthening Program) assists eligible institutions of higher education to become self-sufficient by providing funds to improve their academic quality and strengthen their planning, management, and fiscal capabilities.

(20 U.S.C. 1051 and 1057)

§ 625.2 Designation of eligibility.

(a) The Secretary designates an institution of higher education or a branch campus as eligible to be considered for a grant under the Strengthening Program if the Secretary determines that—

(1) In the academic year in which it applies for designation it satisfies the basic institutional eligibility requirements in 34 CFR 624.2;

(2) A substantial percentage of its full-time equivalent (FTE) undergraduate enrollment received Pell grants in the base year;

(3) The average Pell grant received by its students in the base year was high in comparison with the average Pell grant received by students at comparable institutions in that year; and

(4) The average educational and general (E&G) expenditure per FTE undergraduate student in the base year was less than the average E&G expenditure per FTE undergraduate student at institutions that offer similar instruction in that year.

(b) The Secretary groups comparable institutions and institutions that offer similar instruction for purposes of determining institutional eligibility.

(c) The Secretary assigns points to each of the three factors described in paragraphs (a) (2) through (4) of this section as follows:

(1) An institution may receive up to 100 points on the basis of the number of Pell grant recipients divided by the number of FTE undergraduate students enrolled at the institution. The points awarded reflect an institution's position on a scale of 1–100 when compared to the percent of Pell grant recipients enrolled at comparable institutions. (See the illustrative example in paragraph (c)(4) of this section.)

(2) An institution may receive up to 100 points on the basis of the total amount of the Pell grant awards that students received who were enrolled at the institution divided by the number of Pell grant recipients at that institution. The points awarded reflect an institution's position on a scale of 1–100 when compared to the average Pell grant award of students enrolled at comparable institutions. (See the illustrative example in paragraph (c)(4) of this section.)

(3) An institution may receive up to 100 points on the basis of its average E&G expenditure per FTE undergraduate student. Points are assigned to an institution in an inverse relationship to the average E&G expenditure per FTE undergraduate student at that institution. (See the illustrative example in paragraph (c)(4) of this section.)

(4) The Secretary assigns points for the three institutional eligibility criteria described in paragraphs (a) (2) through (4) of this section as follows:

(i) The Secretary develops a table by—

(A) Listing in rank order all comparable institutions nationwide and dividing them into 100 groups, from the highest value for each criterion to the lowest, with equal numbers of institutions in each group; and

(B) Identifying the range of values for each criterion that the institutions within each of the 100 groups possess.

(ii) The Secretary assigns a score from 1–100 for each of the range of values on the table.

(iii) The Secretary determines an applicant institution's score for each criterion by finding the range of values on the table that includes the applicant institution's value and assigning the score associated with that range of values.

(iv) For example, using the criterion in paragraph (a)(2) pertaining to percentage enrollment, all 2-year public institutions nationwide that enroll students receiving Pell grants in the base year would be listed in order of their percentage enrollment of Pell grant recipients from the highest percentage to the lowest and divided into 100 equal groups. If there are 1,000 such institutions, they would be placed in 100 groups with 10 institutions in each group. The percentage of Pell grant recipients enrolled at each of the 10 institutions in the top group is identified and the percent enrollment range for the group is determined. The range of percentage values for each of the remaining groups is similarly determined.

Consider the example provided in the following table. In the top group of institutions, between 99.6 and 100 percent of the student body receives Pell grants; in the next highest group of institutions the range of values is between 99.0 and 99.5 percent; in the lowest group of institutions the range is between 0.1 and 0.5 percent. An applicant institution would receive 100 points if its percentage of Pell grant recipients is between 99.6 and 100; 99 points if its percentage of Pell grant recipients is between 99.0 and 99.5; and 1 point if its percentage of Pell grant recipients is between 0.1 and 0.5. The same procedures apply when assigning points for each eligibility criterion. The Secretary adds the points for each of the three criteria. If the total is above the minimum that the Secretary announces in the Federal Register and the institution meets the basic institutional eligibility requirements in 34 CFR 624.2, then the institution is deemed eligible to apply for assistance.

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Point value	Range of values		
	Percent of FTE undergraduate students receiving Pell Grant awards	Average Pell grant award per recipient (in dollars)	Average E&G expenditures per FTE undergraduate student (in dollars)
100	75.0–100	1,300–1,750	1–400
75	50.0–74.9	1,530–1,990	401–750
25	25–49.9	1,300–1,540	[illegible]
2	0.6–0.9	25–49	4,000–4,999
1	0.1–0.5	1–25	5,000+

Note—The values in the explanation above are hypothetical and are not based on actual data.

(d)(1) In determining whether an institution satisfies the criteria in paragraphs (a) (2) through (4) of this section, the Secretary adds the points earned for each of the three factors. Thus, eligibility is based on the sum of the three factors combined rather than each factor taken separately.

(2) All institutions with a point total above the minimum threshold established by the Secretary satisfy the eligibility criteria in paragraphs (a) (2) through (4) of this section.

(e) Institutions receiving a waiver of the E&G criterion (see § 625.3) described in paragraph (a)(4) of this section must meet a minimum threshold established by the Secretary on the combined remaining eligibility factors described in paragraphs (a) (2) and (3) of this section. For example, to be eligible, an institution that is granted a waiver of the E&G criterion would have to obtain a minimum number of points out of the 200 points available on the criteria in paragraphs (a) (2) and (3) of this section.

(f) The Secretary establishes the minimum threshold for the combined points (as described in paragraphs (d)(1) and (2) of this section) to ensure that the pool of applicants for each type of grant will be at least twice as large as the pool of grantees.

(g) Through a notice in the Federal Register the Secretary annually—

(1) Publishes the tables the Secretary uses to assign points for each eligibility factor;

(2) Announces the total number of points an institution must receive to satisfy the eligibility factors described in paragraphs (a)(2) through (4) of this section; and

(3) Announces the total number of points an institution must receive to satisfy the eligibility factors described in paragraphs (a)(2) and (3) of this section if that institution requests a waiver of the factor in paragraph (a)(4) of this section.

(20 U.S.C. 1058 and 1221e–3)

§ 625.3 Waiver of E&G requirement.

(a) An institution may seek a waiver of the E&G requirement in § 625.2(a)(4) by submitting to the Secretary a written statement including information and an explanation as to why the Secretary should grant the waiver.

(b) The Secretary may waive the E&G requirement in § 625.2(a)(4) if the Secretary determines that—

(1) The institution's failure to comply with the requirement is caused by factors that distort that requirement with regard to that institution; and

(2) The institution's designation as an eligible institution for this program is consistent with the purposes of the program.

(c) Factors that the Secretary considers may distort an institution's E&G expenditures per FTE undergraduate student include, but are not limited to, the following:

(1) Low student enrollment.

(2) Size of the campus.

(3) Location in an unusually high cost of living area.

(4) High energy costs.

(5) An increase in State funding to that institution in order to comply with a desegregation plan for higher education.

(6) High cost professional training which is organized, budgeted, and conducted separately from regular graduate and undergraduate instruction, such as medical, dental, and legal programs.

(20 U.S.C. 1057 and House Report 96–1337, 96th Cong. 2d Sess. p. 161 (1980))

§ 625.4 Regulations that apply to the Strengthening Program.

The following regulations apply to the Strengthening Program:

(a) The regulations in 34 CFR Part 624.

(b) The regulations in this Part 625.

(20 U.S.C. 1221e–3, 1057–1059, and 1068–1069c)

Subpart B—What Kinds of Grants Does the Secretary Award Under the Strengthening Program?

§ 625.10 Types of grants under the Strengthening Program.

Under the Strengthening Program the Secretary awards—

(a) Planning grants;

(b) Renewable development grants for a period of one to three years; and

(c) Non-renewable development grants for a period of four to seven years.

(20 U.S.C. 1059)

§ 625.11 Allowable activities.

(a) Planning grants may be used for the purposes described in 34 CFR 624.11(a)(1) through (3).

(b) Development grants may be used to carry out any of the activities listed in 34 CFR 624.11(b) or other activities that promote self-sufficiency.

(20 U.S.C. 1051, 1057, and 1059)

Subpart C—How Does One Apply for a Grant?

§ 625.20 Limitations on applications.

(a) Regardless of whether an institution is applying for a grant individually or as part of a cooperative arrangement, it may not apply in the same fiscal year for a renewable (one-to-three-year) development grant and a non-renewable (four-to-seven-year) development grant.

(b) An institution that has received a non-renewable development grant—

(1) Under this part is ineligible to apply for any other grant under this part, either individually or as part of a cooperative arrangement; and

(2) Under the Aid to Institutions with Special Needs Program (Special Needs Program) or Challenge Grant Program may not apply for a renewable grant under this part, either individually or as part of a cooperative arrangement.

(c) An institution may not apply for a planning grant solely to prepare an application for a development grant under this part unless the institution submits a long-range plan containing all the elements described in 34 CFR 624.22.

(d)(1) Except as provided in paragraph (d)(2) of this section, an institution may not apply for a renewable development grant if the award of the grant results in the institution receiving funds from more than one renewable development grant during any fiscal year.

(2) An institution may apply for a renewable development grant even if the award of that grant would result in the institution receiving funds from two renewable development grants during any fiscal year, if one of the grants is awarded to a cooperative arrangement and the other is awarded individually.

(e)(1) Except as provided in paragraph (e)(2) of this section, an institution may not apply for a non-renewable development grant if it has received a non-renewable development grant under the Special Needs Program.

(2) An institution that has completed, or is in the final year, of a non-renewable development grant under the Special Needs Program may apply for a non-renewable development grant if the institution—

(i) Is otherwise eligible for a non-renewable development grant under this part; and

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(ii) Demonstrates to the Secretary's satisfaction that unforeseeable circumstances prevented it from—

(A) Achieving or sustaining self-sufficiency; and

(B) Otherwise fulfilling the objectives of its previous development grant under the Special Needs Program.

(20 U.S.C. 1057 and 1059)

§ 625.21 Planning grants and development grants.

(a) In its application for a grant under this program an applicant shall—

(1) Indicate whether it is applying individually or under a cooperative arrangement for—

(i) A planning grant;

(ii) A renewable development grant; or

(iii) A non-renewable development grant; and

(2) Include the applicable information required under 34 CFR 624.21 and, if appropriate, § 624.23.

(b) If the application is for a planning grant, the applicant shall indicate whether it will use the grant to—

(1) Develop its long-range plan;

(2) Develop an application for a development grant; or

(3) Develop both a long-range plan and an application for a development grant.

(20 U.S.C. 1059 and 1066)

Subpart D—How Does the Secretary Make a Grant?

§ 625.30 General rules.

(a) Using the procedures in 34 CFR 624.30, the Secretary evaluates applications for—

(1) Planning grants on the basis of the criteria in 34 CFR 624.31; and

(2) Development grants on the basis of the criteria in 34 CFR 624.32 and 624.33.

(b) In the case of applications for development grants, the Secretary gives special consideration to applicants that propose to carry out the activities described in 34 CFR 624.13(b).

(20 U.S.C. 1057, 1066, and 1068)

§ 625.31 Funding availability.

(a) The Secretary makes available for any fiscal year, the following:

(1) For awards to junior or community colleges, not less than 24 percent of the funds appropriated under this program.

(2) For awards for non-renewable development grants, not less than 25 percent of the funds appropriated under this program.

(b) Each year the Secretary announces through a notice in the Federal Register—

(1) The amount of funds that will be used to fund non-renewable development grants under this program; and

(2) The maximum amount of funds that the Secretary may award to a grantee that year for each type of grant available under this program.

(20 U.S.C. 1069c)

The Secretary adds a new Part 626 to Title 34 of the Code of Federal Regulations to read as follows:

PART 626—SPECIAL NEEDS PROGRAM

Authority: Sections 321–324 and 341–347 of Title III of the Higher Education Act of 1965 (20 U.S.C. 1060–1063 and 1066–1069c).

Subpart A—General

§ 626.1 Special Needs Program.

The Aid to Institutions with Special Needs Program (referred to in these regulations as the Special Needs Program) assists institutions of higher education to become self-sufficient by providing funds to improve their academic quality and strengthen their planning, management, and fiscal capabilities.

(20 U.S.C. 1051 and 1221e–3)

§ 626.2 Designation of eligibility.

(a) The Secretary designates an institution of higher education or a branch campus as eligible to be considered for a grant under the Special Needs Program if the Secretary determines that—

(1) In the academic year in which it applies for designation—

(i) It satisfies the basic institutional eligibility requirements in 34 CFR 624.2;

(ii) It has an enrollment of at least 100 full-time equivalent (FTE) students; and

(iii) In the case of a branch campus, it is located in a community different from that in which its parent institution is located.

(2) A substantial percentage of its FTE undergraduate enrollment received assistance under the need-based assistance programs (Pell Grant, Supplemental Educational Opportunity Grant, National Direct Student Loan, and College Work-Study Programs) in the base year;

(3) The average amount of need-based assistance received by its students in the base year was high in comparison with the average amount of assistance received by students under those programs at comparable institutions in that year; and

(4) The average educational and general (E&G) expenditure per FTE undergraduate student in the base year was less than the average E&G expenditure per FTE undergraduate student at institutions that offer similar instruction in that year.

(b) The Secretary groups comparable institutions and institutions that offer similar instruction for purposes of determining institutional eligibility.

(c) The Secretary assigns points to each of the three factors described in paragraph (a)(2) through (4) of this section as follows:

(1) An institution may receive up to 50 points on the basis of the number of recipients of need-based assistance divided by the number of FTE undergraduate students enrolled at the institution. The points awarded reflect an institution's position on a scale of 1–50 when compared to the percent of need-based assistance recipients enrolled at comparable institutions. (See the illustrative example in paragraph (c)(4) of this section.)

(2) An institution may receive up to 50 points on the basis of the total amount of need-based assistance received by students enrolled at the institution divided by the total number of recipients of need-based assistance enrolled at that institution. The points awarded reflect an institution's position on a scale of 1–50 when compared to the average amount of need-based assistance received by students at comparable institutions. (See the illustrative example in paragraph (c)(4) of this section.)

(3) An institution may receive up to 100 points on the basis of its average E&G expenditures per FTE undergraduate student. Points are assigned to an institution in an inverse relationship to the average E&G

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expenditure per FTE undergraduate student at that institution. (See the illustrative example in paragraph (c)(4) of this section.)

(4) The Secretary assigns points for the three institutional eligibility criteria described in paragraphs (a)(2) through (4) of this section as follows:

(i) The Secretary develops a table by—

(A) Listing in rank order all comparable institutions nationwide that enroll students receiving need-based assistance in the base year and dividing them into 50 groups, from the highest value for each criterion to the lowest, with equal numbers of institutions in each group; and

(B) Identifying the range of values for each criterion that the institutions within each of the 50 groups possess.

(ii) The Secretary assigns a score for each of the range of values.

(iii) The Secretary determines an applicant institution's score for each criterion by finding the range of values on the table that includes the applicant institution's value and assigning the score associated with that range of values.

(iv) For example, using the criterion in paragraph (a)(2) of this section pertaining to percentage enrollment, all 2-year public institutions nationwide would be listed in order of their percentage enrollment of need-based aid recipients from the highest percentage to the lowest and divided into 50 equal groups. If there are 1000 such institutions, they would be placed in 50 groups with 20 institutions in each group. The percentage of need-based aid recipients enrolled at each of the 20 institutions in the top group is identified and the percent enrollment range for the group is determined. The range of percentage values for each of the remaining groups is similarly determined.

Consider the example provided in the following table. In the top group of institutions, between 99.0 and 100 percent of the student body receives need-based aid; in the next highest group of institutions the range of values is between 97.0 and 98.9 percent; in the lowest group of institutions the range is between 1.0 and 0.9 percent. An applicant institution would receive 50 points if its percentage of need-based aid recipients is between 99.0 and 100; 49 points if its percentage of need-based aid recipients is between 97.0 and 98.9; and 1 point if its percentage of need-based aid recipients is between 1.0 and 0.9. The same procedures apply when assigning points for each eligibility criterion. The Secretary adds the points for each of the three criteria. If the total is above the minimum that the Secretary announces in the Federal Register and the institution meets the basic institutional eligibility requirements in 34 CFR 624.2, then the institution is deemed eligible to apply for assistance.

SPECIAL NEEDS PROGRAM

Points assigned	Range of values: Percent of FTE undergraduate students receiving need-based assistance	Range of values: Average amount of need-based assistance per recipient (in dollars)	Range of values: Average E&G expenditure per FTE undergraduate student (in dollars)[1]
50	99.0–100	2,500+	1–750
49	97.0–98.9	2,000–2,499	751–[illegible]
1	[illegible]	1–[illegible]	[illegible]+

NOTE.—The values in the explanation above are hypothetical and are not based on actual data.

(d)(1) In determining whether an institution satisfies the criteria in paragraphs (a)(2) through (4) of this section, the Secretary adds the points earned for each of the three factors. Thus, eligibility is based on the sum of the three factors combined rather than each factor taken separately.

(2) All institutions with a point total above the minimum threshold established by the Secretary satisfy the eligibility criteria in paragraphs (a)(2) through (4) of this section.

(e) Institutions receiving a waiver of the E&G criterion (see § 628.3) described in paragraph (a)(4) of this section must meet a minimum threshold established by the Secretary on the combined remaining eligibility factors described in paragraphs (a)(2) and (3) of this section. For example, to be eligible, an institution that is granted a waiver of the E&G criterion will have to obtain a minimum number of points out the 100 points available on the criteria in paragraphs (a) (2) and (3) of this section.

(f) The Secretary establishes the minimum threshold for the combined points (as described in paragraphs (d) (1) and (2) of this section) to ensure that the pool of applicants for each type of grant will be at least twice as large as the pool of grantees.

(g) Through a notice in the Federal Register the Secretary annually—

(1) Publishes the tables the Secretary uses to assign points for each eligibility factor;

(2) Announces the total number of points an institution must receive to satisfy the eligibility factors described in paragraphs (a)(2) through (4) of this section; and

(3) Announces the total number of points an institution must receive to satisfy the eligibility factors described in paragraphs (a) (2) and (3) of this section if that institution requests a waiver of the factor in paragraph (a)(4) of this section.

(20 U.S.C. 1061 and 1221e–3)

§ 628.3 Waiver of E&G requirement.

(a) An institution may seek a waiver of the E&G requirement in § 628.2(a)(4) by submitting to the Secretary a written statement including information and an explanation as to why the Secretary should grant the waiver.

(b) The Secretary may waive the E&G requirement in § 628.2(a)(4) if the Secretary determines that—

(1) The institution's failure to comply with the requirement is caused by factors that distort that requirement with regard to that institution; and

(2) The institution's designation as an eligible institution for this program is consistent with the purposes of the program.

(c) For the purposes of paragraph (b)(1) of this section, factors that the Secretary considers may distort an institution's E&G expenditures per FTE undergraduate student include, but are not limited to, the following:

(1) Low student enrollment.

(2) Size of the campus.

(3) Location in an unusually high cost of living area.

(4) High energy costs.

(5) An increase in State funding to that institution in order to comply with a desegregation plan for higher education.

(6) High cost professional training which is organized, budgeted, and conducted separately from regular graduate and undergraduate instruction, such as medical, dental, and legal programs.

(d) For purposes of paragraph (b)(2) of this section, factors that the Secretary may also use in determining whether an institution's designation as an eligible institution is consistent with the needs of this program include whether the institution has—

(1) Extreme financial limitations requiring low faculty salaries, low cost of instruction for students, and low library expenditures;

(2) Little or no endowment, whether or not unrestricted;

(3) A high student-to-faculty ratio;

(4) A substantial percentage of students receiving need-based Federal student assistance;

(5) Limited library resources;

(6) A low percentage of faculty with earned doctoral degrees;

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(7) Poor physical facilities and limited resources to maintain them;

(8) Little or no support from foundations, alumni, or corporations;

(9) Limited or no sponsored research or faculty publications;

(10) An inadequate development office and a limited capacity for long-range planning; and

(11) Poor or inadequate fiscal management and accounting procedures.

(20 U.S.C. 1061 and 1067, and House Report 96-1337, 96 Cong. 2d Sess., p. 161, (1980))

§ 626.4 Regulations that apply to the special needs program.

The following regulations apply to the Special Needs Program:

(a) The regulations in 34 CFR Part 624.

(b) The regulations in this Part 626.

(20 U.S.C. 1060-1063, 1066-1069a, and 1221e-3)

Subpart B—What Kinds of Grants Does the Secretary Award Under the Special Needs Program?

§ 626.10 Types of grants under the special needs program.

Under the Special Needs Program the Secretary awards—

(a) A planning grant for a period of one year; and

(b)(1) A non-renewable development grant for a period of one to five years; or

(2) If an institution previously received a planning grant under this program, a non-renewable development grant for a period of one to four years.

(20 U.S.C. 1062)

§ 626.11 Allowable activities.

(a) Planning grants may be used to develop a long-range plan as described in 34 CFR 624.11(a)(1).

(b) Development grants may be used to carry out the activities listed in 34 CFR 624.11(b).

(20 U.S.C. 1060 and 1062)

Subpart C—How Does One Apply for a Grant?

§ 626.20 Limitation on applications.

An institution that has received a non-renewable development grant under this part or under the Strengthening Program (34 CFR Part 625) may not apply for a grant under this part, either individually or as part of a cooperative arrangement.

(20 U.S.C. 1060, 1062 and 1221e-3)

§ 626.21 Planning grants and development grants.

In its application for a grant under this program, an applicant shall—

(a) Indicate whether it is applying individually or as part of a cooperative arrangement for—

(1) A planning grant; or

(2) A development grant.

(b) Include the applicable information required under 34 CFR 624.21; and

(c) In the case of an application for a development grant, provide assurances to the Secretary that it will have the fiscal resources to pay for its share of assistance beyond the second year.

(20 U.S.C. 1060, 1062, and 1066)

Subpart D—How Does the Secretary Make a Grant?

§ 626.30 General rules.

Using the procedures in 34 CFR 624.30, the Secretary evaluates applications for—

(a) Planning grants on the basis of the criteria in 34 CFR 624.31; and

(b) Development grants on the basis of the criteria in 34 CFR 624.32 and 624.33.

(20 U.S.C. 1060, 1066, and 1068)

§ 626.31 Funding availability.

(a) The Secretary makes available, for any fiscal year, the following:

(1) For awards to junior or community colleges with special needs, not less than 30 percent of the funds appropriated under this program.

(2) For awards to institutions with special needs that have historically served substantial numbers of black students, not less than 50 percent of the amount received by those institutions under the Strengthening Developing Institutions Program (SDIP) for fiscal year 1979. Fifty percent of the amount these institutions received under the SDIP for fiscal year 1979 is $27,035,000.

(b) The Secretary considers institutions that have historically served substantial numbers of black students to be those listed in the 1978 publication by the National Center for Education Statistics entitled *Traditionally Black Institutions of Higher Education: Their Identification and Selected Characteristics*.

(c) Each year the Secretary announces in a notice in the Federal Register—

(1) The amount of funds that will be used to fund non-renewable development grants under this program; and

(2) The maximum amount of funds that the Secretary may award to a grantee that year for each type of grant available under this program.

(20 U.S.C. 1069c)

Subpart E—What Conditions Must a Grantee Meet?

§ 626.40 Cost sharing.

The Secretary pays the entire cost of any grant for the first two years of assistance under this program. After that the Secretary pays—

(a) Ninety percent of the cost in the third year;

(b) Eighty percent of the cost in the fourth year; and

(c) Seventy percent of the cost in the fifth year.

(20 U.S.C. 1063)

The Secretary adds a new Part 627 to Title 34 of the Code of Federal Regulations to read as follows:

PART 627—CHALLENGE GRANT PROGRAM

Authority: Sections 331-332 and 341-347 of the Title III of the Higher Education Act of 1965 (20 U.S.C. 1064-1069c).

Subpart A—General

§ 627.1 Challenge Grant Program.

The Challenge Grant Program provides Federal financial assistance as an incentive for eligible institutions of higher education to seek alternative sources of funding to become self-sufficient.

(20 U.S.C. 1051 and House Report 96-520, 96th Cong. 1st Sess., pp. 15-17, (1979))

§ 627.2 Eligible applicants.

(a) An institution of higher education or a branch campus is eligible to apply for a grant under the Challenge Grant Program if—

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(1) The Secretary has designated it as an eligible institution under the Strengthening Program (34 CFR 625.2) or Special Needs Program (34 CFR 626.2); or

(2) The Secretary has designated it as an eligible institution under paragraph (b), (c) or (d) of this section.

(b)(1) The Secretary designates an institution of higher education as eligible to be considered for a grant under this program if that institution—

(i) Does not award a bachelor's degree but

(ii) Is, and has been for the five academic years preceding the academic year for which it seeks assistance, legally authorized by the State in which it is located to provide an educational program for which it awards a graduate or professional degree;

(iii) Satisfies the requirements of 34 CFR 624.2, other than the requirement of § 624.2(b)(2); and

(iv) Would have qualified as an eligible institution under 34 CFR 625.2 or 626.2 if—

(A) The requirement of 34 CFR 624.2(b)(2) were disregarded; and

(B) Calculations were based on need-based aid received by graduate-level students, rather than undergraduate level students.

(2) "Comparable institutions" for purposes of paragraph (b) of this section as applied to determining eligibility under 34 CFR 625.2 or 626.2 means the types of institutions described in paragraph (b)(1) (i) and (ii) of this section.

(c)(1) The Secretary may designate an institution of higher education as eligible to be considered for a grant under this program if that institution—

(i) Is not a junior or community college; and

(ii) Does not award a bachelor's, graduate, postgraduate, or professional degree; but

(iii) Is, and has been for the five academic years preceding the academic year for which it seeks assistance, legally authorized by the State in which it is located to provide a medical education program;

(iv) Makes a substantial contribution to medical education opportunities for minorities and the economically disadvantaged;

(v) Satisfies the requirements of 34 CFR 624.2, other than the requirement of § 624.2(b)(2); and

(vi) Would have qualified as an eligible institution under 34 CFR 625.2 or 626.2 based on the enrollment of students in its medical education program if the Secretary had waived the requirement of § 624.2(b)(2).

(2) "Comparable institutions" for purposes of paragraph (c) of this section as applied to determining eligibility under 34 CFR 625.2 or 626.2 means the types of institutions described in paragraph (c)(1) (i), (ii), and (iii) of this section.

(d) The Secretary designates an institution of higher education as eligible to be considered for a grant under this program if that institution—

(1) Provides a medical education program which—

(i) Leads to a doctor of medicine degree; or

(ii) Is not less than a two-year program fully acceptable toward such a degree;

(2) In the base year enrolled minority and educationally disadvantaged students constituting at least 35 percent of its full-time equivalent enrollment; and

(3) In fiscal year 1980 received a grant as a two-year medical school under section 788(a) of the Health Professions Education Assistance Act of 1976.

(e) The Secretary announces annually in a notice in the Federal Register the conditions, if any, under which the Secretary will waive the requirement of 34 CFR 624.2(b)(2) in the case of an institution applying for eligibility under paragraph (c) of this section.

(20 U.S.C. 1064)

§ 627.3 Regulations that apply to the Challenge Grant Program.

The following regulations apply to the Challenge Grant Program:

(a) Unless otherwise indicated, the regulations in 34 CFR Part 624.

(b) The regulations in this Part 627.

(c) Applicable provisions of 34 CFR Parts 625 and 626.

(20 U.S.C. 1055–1(a)(1) and 1064)

Subpart B—What Kind of Grant Does the Secretary Award Under the Challenge Grant Program?

§ 627.10 Type of grant under the Challenge Grant Program.

(a) Under the Challenge Grant Program the Secretary awards a nonrenewable development grant to an applicant for a period of up to five years.

(b) The Secretary does not award planning grants under this program.

(c) The Secretary may award a grant under this program to an institution that is simultaneously receiving a nonrenewable development grant under the Strengthening Program or the Special Needs Program.

(20 U.S.C. 1064 and 1065)

§ 627.11 Allowable activities.

(a) If an institution qualifies for a grant on the basis of being designated by the Secretary as eligible under the Strengthening Program, as described in 34 CFR 625.2, it may use its grant to carry out the activities authorized under the Strengthening Program (see 34 CFR 625.11).

(b) If an institution qualifies for a challenge grant on the basis of being designated by the Secretary as eligible under the Special Needs Program, as described in 34 CFR 626.2, it—

(1) May use its grant to carry out the activities authorized under the Special Needs Program (see 34 CFR 626.11); and

(2) Must use those funds for the purpose of—

(i) Achieving greater financial independence; and

(ii) Eradicating the applicable conditions—

(A) Listed in 34 CFR 626.2(d); and

(B) Discussed in its application for funds, as required in § 627.20(a)(2).

(c) If an institution qualifies for a grant on the basis of being designated by the Secretary as eligible under this program under one of the criteria described in § 627.2(b), (c) or (d), it may use its grant to carry out those activities listed in 34 CFR 624.12(b).

(20 U.S.C. 1064 and 1065)

Subpart C—How Does One Apply for a Grant?

§ 627.20 General.

(a)(1) In its application for funding, an institution shall include the information required under 34 CFR 624.22 (a) and (b).

(2) In the case of an applicant that qualifies under this part on the basis of being designated an eligible institution under the Special Needs Program, the applicant shall discuss, in its application, those factors listed in 34 CFR 626.2(d) that are characteristic of its status as an institution with special needs.

(b) In its application for funding, an institution shall also include the following:

(1) Evidence that funds are available to the institution to match the funds it is requesting. The applicant may satisfy this requirement by—

(i) Providing a list of the source(s) and the amount of funds each source is contributing for each year of the grant period; and

(ii) Including a letter of intent from each source listed.

(2) An assurance that all matching funds will be—

(i) New funds previously unavailable to the institution from non-Federal

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sources for activities allowable under the Challenge Grant Program; and

(ii) Used to carry out those portions of the institution's long-range plan for which funds may be used under this part.

(c) If an applicant is a public institution, it shall include in its application—

(1) The comments of the appropriate State agency responsible for higher education in its State; or

(2) A statement that the institution requested the State agency to comment and the agency failed to comment.

(20 U.S.C 1065,1066, and House Report 96-520, 96 Cong. 1st Sess., p. 18 (1979))

Subpart D—How Does the Secretary Make a Grant?

§ 627.30 General rules.

(a) Using the procedures in 34 CFR 624.30, the Secretary evaluates applications on the basis of the criteria in 34 CFR 624.32 and 624.33.

(b) Under this part the Secretary—

(1) Awards grants—

(i) To individual eligible institutions only;

(ii) For a period not to exceed the period for which matching funds, as described in § 627.40, are available to the applicant at the time its original application is submitted; and

(2) Gives preference in awarding grants to applications from institutions are receiving, or have received, grants under the Strengthening Program or Special Needs Program.

(20 U.S.C. 1065)

§ 627.31 Evaluation of applications for continuation awards.

In addition to the requirements in 34 CFR Part 75 (EDGAR) that pertain to the Secretary's evaluation of continuation award applications, the Secretary looks for evidence that an institution's matching funds are available at the time it submits its application.

(20 U.S.C. 1065)

Subpart E—What Conditions Must a Grantee Meet?

§ 627.40 Matching requirements.

A grantee must match the funds it receives under this program, on a dollar-for-dollar basis, with new funds that were previously unavailable to the applicant from non-Federal sources for activities allowable under the Challenge Grant Program.

(20 U.S.C. 1065)

Note.—This Appendix is included for information. It is not to be codified in the Code of Federal Regulations.

Appendix A—Summary of Comments and Responses

In the notice of proposed rule making published in the Federal Register on July 20, 1981 (46 FR 37470–37482), the Secretary invited comments on the proposed regulations to implement the three Institutional Aid Programs authorized by the Higher Education Act of 1965, as amended.

The following is a summary of the substantive public comments received and the Secretary's responses to these comments. The comments and responses are organized to the extent possible in the same order as the referenced sections are organized in these final regulations.

General Comments

Comment. A great number of comments concerned statutory requirements that were beyond the scope of the proposed regulations. These comments objected to: the use of the Pell grant factor as an eligibility criterion; the absence of a "grandfather" clause; the ineligibility of non-degree granting institution; double weighting of the Pell grant factor in the Strengthening Program; requiring an enrollment of at least 100 FTE students for eligibility for the Special Needs Program; the method of calculating educational and general expenditures; the definition of "full-time equivalent"; and the limitation to one non-renewable development grant under the Strengthening Program.

Other comments that pertained to statutory requirements included alternative methods of determining eligiblity such as, allowing a waiver of the Pell Grant requirement, or establishing an economic weighting system or cost of living allowance as eligibility qualifiers.

Response. All of the provisions referred to by the commenters are statutory requirements. They may not be changed by regulations.

Comment. Many commentars requested that the period of time allowed for public comments be extended and that public hearings be held.

Response: Public hearings were not held because of budgetary constraints faced by the Department. However, the Secretary recognized the need for extensive public comment on these proposed regulations and took the following action. The NPRM, accompanied by a cover letter requesting careful study of the proposed rules, was mailed to all FY 1980 Title III grantees, all FY 1981 Title III applicants, and all individuals, groups, or associations requesting information on the new program. In addition the comment period was set at 60 days, rather than the customary 45 days.

More than 200 comments were received. The comments covered virtually all aspects of the regulations. As a result the Secretary does not believe it is necessary to extend the comment period.

Comment. Some commenters recommended that the regulations establish a fixed base year for eligibility determinations. Others, who had no objection to a rolling base-year, felt that the base year should be more clearly defined.

Response. A change has been made: The definition of base year in § 624.8 has been revised to indicate that the Secretary will, in a notice published in the Federal Register indicate a base year that will be the most recent base year, i.e., 12 month period, for which reliable data are available.

Establishment of a fixed base year in the regulations would not allow the Secretary to evaluate the statutory eligibility characteristics of an institution using the most current available data without amending regulations.

Comment. Many comments were made in reference to the application review and approval process. The commenters focused on the qualifications and selection of outside readers, the role of the Title III professional staff, the criteria to be used for selecting grantees, the use of supplementary information, and the implementation of special performance requirements.

Response. No change has been made. These administrative procedures do not properly belong in Departmental regulations. However, the following explanation may be useful. The statute requires that applications be reviewed by panels of readers selected by the Secretary. The Secretary will select qualified readers who are highly skilled in institutional development from outside the Department to serve on the panels. These readers will review the applications using the criteria published in the regulations. Separate rank-order lists for development and planning grants under each of the Institutional Aid Programs will be prepared based on the points assigned by the readers. Applications from institutions that award bachelor's degrees will be ranked together with applications from junior and community colleges.

Using these rank-order lists separate funding-order slates are prepared for each program after taking into consideration the following—other

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appropriate information from available sources, such as existing public records, site visits, and external evaluation reports; applicable funding limitations in the regulations; and other funding priorities, as applicable, described in §§ 625.32, 625.31 or 627.20. Applications will be funded in descending order according to their placement on the funding-order slates.

Comment. Several commenters suggested substituting the method of determining eligibility contained in the regulations for the Strengthening Developing Institutions Program (SDIP) for the eligibility requirements contained in the NPRM.

Response. A change has been made. However, the procedure used to determine eligibility under the SDIP does not include all the factors the new law requires. Under the SDIP a formula was used to determine whether the applicant institution satisfied two of the statutory elements of the definition of a developing institution, namely, struggling for survival because of financial and other reasons, and isolated from the main currents of academic life. Under the Institutional Aid Programs, a similar *formula* will be used which will include the three factors described in the law—not merely the two used under the SDIP.

Comment. Many commenters asked whether the Fall quarter enrollment figures or cumulative full-year data would be used in computing the percentage of students receiving Pell grants and other need-based student assistance.

Response. Both full-year and fall quarter data will be used. Cumulative full-year student assistance data and fall quarter enrollment data *for the* designated base year must be used to compute the percentage of students receiving Pell grants and other need-based student assistance.

Comment. Many commenters objected to the provision limiting the number of students to be used in the computation of the percentage of student aid recipients to those who are at least half-time.

Response. A change has been made. The final rules require an institution to have a substantial percentage of its full-time equivalent (FTE) undergraduate enrollment receiving student aid rather than a substantial percentage of those eligible to apply for such aid actually receiving it. Therefore, students who are enrolled less than half-time may be proportionately counted.

Comment. Several commenters requested that eligibility requirements and procedures for eligibility determinations be issued at well in advance of other final regulations so as to allow adequate time for notification of eligibility.

Response. No change is necessary. The Secretary will publish the data needed to determine eligibility annually in a separate notice in the Federal Register. This notice will be published well in advance of the deadline for submitting applications for funding.

Comment. One commenter asked whether an institution that awards both undergraduate and graduate degrees may receive funds under the Strengthening Program and Challenge Grant Program to support its *graduate* programs.

Response. No change is necessary. The regulations allow the graduate program of an eligible institution with both undergraduate and graduate programs to receive support under any of the Institutional Aid Programs.

Comment. Many commenters stated that the emphasis placed on institutions achieving self-sufficiency within the period of a non-renewable grant was contradictory to the statute which speaks only of increasing self-sufficiency. Other commenters asked whether the self-sufficiency requirement applies to all of the Institutional Aid Programs.

Response. The emphasis on achieving self-sufficiency, that is graduation from the need for continued aid under the Title III Program, is based on the Title III statute and its legislative history. All three programs—Strengthening, Special Needs, and Challenge Grant—provide for non-renewable grants. Further, the House and Senate Reports accompanying the Education Amendments of 1980 in its passage through the Congress clearly indicated an intention that institutions become self-sufficient and graduate from the Title III Program. If an institution believes that it is not likely to attain self-sufficiency during the period of a non-renewable grant, it should apply for a renewable grant which only requires that it be moving towards self-sufficiency.

Comment. Two commenters recommended that the regulations clarify the role of contractors (assisting agencies).

Response. No change has been made. It is no longer necessary to involve contractors in any phase of an application or grant. Neither the statute nor regulations require a grantee to purchase services from a contractor. However, any grantee may employ a contractor if it is necessary to achieve the objectives of one or more of the funded activities. The regulations that cover this type of arrangement are contained in EDGAR.

Comment. Several commenters were concerned that if an institution accepted a non-renewable grant for a shorter period of time than originally requested, it would not be able to reapply for funding to complete implementation of its long-range plan.

Response. No change has been made. An institution that accepts a non-renewable grant for less than the maximum number of years allowed cannot reapply later for another grant under that program. However, if an applicant institution determines that the size of the grant or the length of the grant period which is offered is insufficient to meet its objectives, it may decline the grant and reapply in a subsequent funding period for an award that it believes may be appropriate.

Comment. A number of commenters recommended that the regulations stipulate the percentage of funds that will be set-aside for non-renewable grants.

Response. No change has been made. The Secretary will announce the proportion of the appropriated funds designated for non-renewable grants in the Federal Register in the annual Notice of Closing Date for grant applications.

Comment. One commenter inquired whether program funds could be transferred from one Institutional Aid Program to anther.

Response. The allocation of funds among the three programs is determined by statute. Transfers would upset the statutory allocation and are not permitted.

Comment. One commenter recommended that regulations applying to the program as a whole be distinguished from regulations pertaining to one of the three separate Institutional Aid Programs.

Response. A change has been made. Those portions of the general provisions (34 CFR Part 624) that refer to only one program have been placed under the appropriate program regulations.

Comment. Some commenters recommended that two-year colleges be treated separately in the funding process.

Response. No change has been made. The Secretary believes that the selection criteria for this program should be applied equally to all applicants since all applicants can apply equally for all available funds. Therefore, applications from both 2- and 4-year institutions will be rated on the same factors. However, the two-year college set-aside requirements will be taken into

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consideration when developing the recommended funding slates for the Strengthening and Special Needs Programs.

Section 624.8 Definitions that apply to the institutional aid programs

Comment. A number of commenters requested a clearer definition of the term "self-sufficient".

Response. A change has been made. Self-sufficiency is now defined as the point at which, in the determination of the Secretary, an institution should be viable, thriving, and able to survive without funding from the Institutional Aid Programs. The term self-sufficient is synonymous with the concept of graduation from the program. Therefore, a grantee is self-sufficient or free from the need for additional Title III assistance at the end of its non-renewable development grant.

Section 624.10 Types of grants

Comment. Several commenters believed that categorizing grants as planning and development did not provide for the actual implementation of program activities. They recommended that implementation grants also be awarded.

Response: No change is necessary. Implementing certain activities is an allowable part of a development grant.

Section 624.12 and 624.13 Development grant and allowable activities

Comment. One commenter asked whether the statement that funds cannot be used for duplicating activities that have previously been funded under the Institutional Aid Programs also pertains to activities previously supported under the SDIP.

Response. A change has been made. A new § 624.13(c) has been added to made it clear that the Secretary will not fund an activity for which an institution is receiving or has received funds under an Institutional Aid Program or a SDIP grant that is scheduled to expire after September 30, 1982.

Section 624.23 Applications for grants under cooperative arrangements

Comment. Several commenters suggested that the prohibition on duplication of effort in cooperative arrangements be extended to apply to all Institutional Aid Programs.

Response. A change has been made to make it clear that duplication of activities is not allowed under any Institutional Aid program. Section 624.23(b)(2) has been deleted because it duplicated § 624.12(b)(2) which applies to all development grants under the Institutional Aid Programs.

Section 624.30 General evaluation of applications

Comment. One commenter noted that the regulations do not specify a minimum point total that will be used to define a high-quality proposal, for example, 70 points.

Response: A change has been made. A new § 624.30(d) has been added which specifies that the Secretary will not fund an appliction that receives less than 50 points for the criteria in § § 624.31 or 624.33.

Section 624.32 Long-range plan to achieve self-sufficiency

Comment. Several commenters felt that there should be more Title III staff involvement in the review of long-range plans and applications. These commenters felt that staff members are more familiar with many of the potential applicant institutions than outside readers would be. Therefore, they would be able to use this knowledge in the award process.

Response: No change has been made since this is not a regulatory item. However, some explanation may be helpful. The statute requires that applications be reviewed by a panel of expert readers consisting of individuals selected by the Secretary. The Secretary only selects readers who have demonstrated they have expertise in solving the types of problems that have prohibited applicant institutions from achieving self-sufficiency.

Comment: A number of commenters asked whether each applicant must have a long-range plan. They also asked whether this plan would relate only to the implementation of activities covered by the grant.

Response. No change is necessary. Each institution applying for a development grant or a planning grant only to develop an application must have a long-range plan. The plan must cover the overall institutional goals and objectives through which the institution plans to achieve self-sufficiency by using its own funds, as well as Title III funds. If an institution submits an application under more than one Institutional Aid Program, it must submit the same long-range plan with each application.

Comment. One commenter recommended that an institution currently receiving an SDIP grant to develop a long-range plan which is not scheduled for completion by the deadline for submitting applications for development grants in fiscal year 1982 be allowed to submit such an application without a long-range plan.

Response: No change has been made. Such an institution has the option of accelerating the schedule for developing its long-range plan, or waiting until the plan is completed before submitting an application for a development grant in a subsequent fiscal year. The statute requires an applicant for a development grant to submit an acceptable long-range plan.

Comment. One commenter felt that the regulatory requirements will force a degree of uniformity on the institutional planning process that, in effect, constitutes unnecessary Federal intervention. The commenter felt that alternative documents, such as self-studies prepared for accrediting agencies, should be acceptable.

Response. No change has been made. The Secretary does not agree with the commenter's contention regarding Federal intervention. Applicants may use whatever documents or format they wish for their long-range plan as long as the required basic elements are included and the review criteria are addressed.

Comment. One commenter recommended that adequacy of the long-range plan be used along with other selection criteria, such as plan of operation and quality of key personnel, in the review process rather than be used as a preliminary disqualifier.

Response. No change is made. To apply for a development grant, an institution must show that it has the capability to move toward self-sufficiency by the end of the renewable grant period or will reach it by the end of the nonrenewable grant period. The long-range plan is the vehicle through which an institution will demonstrate whether it has developed the methods for achieving or moving towards this end. If it has not, it will not receive a development grant.

Comment. Several commenters asked whether a specific time-frame was required for a long-range plan and, if so, what it was?

Response. No change has been made. Neither the statute nor regulations stipulate a specific timeframe. However, the time frame of the plan must at least equal the period for which funds are being requested.

Comment. One commenter suggested changing "long-range plan to achieve self-sufficiency" to "strategic plan to move an institution toward becoming a viable, thriving institution of higher education" to make the language more in keeping with the intent of the statute. This commenter also suggested rewording the language relating to the long-range plan to stress the importance

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of the strategic plan in the application review process.

Response. No change has been made. First, the Secretary believes that "long-range plan" is synonymous with a "strategic plan." Secondly, the Secretary believes the language in § 624.32(c) stressing the importance of the plan in the review process is clear.

Section 624.33 Selection criteria for development grants

Comment. One commenter recommended adding a criterion which would require an institution applying for any Institutional Aid grant to afford the appropriate State agency responsible for the coordination of postsecondary education the opportunity to review and comment upon the application.

Response. No change has been made. A public institution applying for a Challenge Grant is required to include in its application comments from the higher education agency in its State or a statement that the agency was given the opportunity but failed to comment. For each of the Institutional Aid Programs an applicant is required to certify that it will not use Title III funds for activities that are inconsistent with any State plan for higher education applicable to the institution. A state agency responsible for the coordination of postsecondary education should inform the Secretary if it finds that Title III funds are used by a grantee in a manner that is inconsistent with that State's plan for higher education.

Comment. Some commenters expressed concern that the quality of key personnel criterion requires them to commit personnel to the project in advance of any assurances that funds will be awarded.

Response. No change has been made. This criteria does not require an applicant to commit personnel. However, if personnel are known, their qualifications should be listed. If they are not known, then minimum qualifications prospective personnel must meet should be listed.

Section 624.34 Grants under cooperative arrangements

Comment. One commenter objected to the provision stipulating that there be no duplication of effort among institutions participating in a cooperative arrangement.

Response. A change has been made. This requirement, as revised (§ 624.34(b)(2)), is intended to prevent such instances of waste as institutions dividing funds to support separate but identical activities rather than engaging in a cooperative effort.

Comment. Some commenters expressed concern that the regulations, by considering participants in a cooperative arrangement as separate grantees, would discourage institutions from entering into cooperative arrangements.

Response. No change has been made. The regulations allow any institution that wishes to apply to choose the type of application that best suits its needs. Each recipient of Title III funds will be considered a grantee."

Section 624.40 Maintenance of eligibility

Comment. Some commenters objected to the requirement that an institution must maintain its eligibility for the duration of the grant period and must file annual assurances to that effect.

Response. No change has been made. The provision referred to in this section is required by statute. The Secretary must terminate funds to institutions that no longer meet basic institutional eligibility criteria.

Section 624.42 Restrictions on the use of funds

Comment. One commenter suggested that Challenge Grant funds, or matching private funds raised for a challenge grant, be used to supplement operational funds.

Response. No change has been made. Both Title III and non-Federal funds used to match Challenge Grant funds must be used to carry out approved activities. Therefore, they may not be used for general operating and maintenance expenses.

Comment. Several commenters objected to the provision which restricts Title III funds from being used for operating and maintenance expenses.

Response. No change has been made. The statute and its legislative history make it clear that Title III funds may not be used for operation and maintenance expenses, in spite of the fact that funds may have been used under the SDIP for these purposes.

Section 625.2/628.2 Designation of eligibility

Comment. Many commenters recommending changing the method of determining specific program eligibility. Recommendations included: changing the 35 percent figure used to define substantial percentage (most recommended lowering it to expand the eligibility pool, while some recommended raising it to 45 percent based on the colloquy on the Senate floor); and dropping the artificial system established in the proposed regulations that imposes separate absolute thresholds for each criterion and instead, rate all criteria together using a point system similar to that used under the SDIP. In addition, one commenter observed that when separate absolute thresholds are used to determine eligibility there is an adverse relationship created between the requirement that a substantial percentage of students receive financial assistance and the requirement that their average award be high in comparison with awards at comparable institutions.

Response. A change has been made. Rather than requiring an institution to satisfy each of the specific criteria in § 625.2(a) (2) through (4) or § 628.2(a) (2) through (4) separately, an institution must meet each of the three criteria in the aggregate using a point system similar to that used to determine eligibility under the SDIP to compare potentially eligible institutions. All institutions with a cumulative point score above the minimum threshold announced annually through a notice in the Federal Register will satisfy these specific criteria. Therefore, an institution may receive a relatively low number of points based on the size of its average award and still meet the minimum threshold based on the number of points it receives for the other two criteria.

Comment. One commenter recommended re-establishment of a bonus point system for the benefit of institutions serving large numbers of disadvantaged students.

Response. No change has been made. The bonus points awarded by the previous Title III program were done so as part of the application selection criteria. There is no statutory basis for establishing a new bonus point system.

Comment. One commenter asked what sanctions will be levied against an institution that submits falsified data.

Response. Submission of falsified data would be grounds for refusal to consider an application for a grant, or termination of a grant, as well as possible civil or criminal legal action.

Section 625.2 Designation of eligibility

Comment. Several commenters expressed concern that the regulations did not stipulate the method that would be used to accomplish the double-weighting of the Pell grant factor.

Response. A change has been made. The regulations detail the method used to double weight the Pell grant factor.

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Section 625.10 Types of grants under the strengthening program.

Comment. One commenter asked whether an institution's application for a nonrenewable grant under the Strengthening Program could be funded as a renewable grant if the application was recommended for funding but insufficient funds for nonrenewable grants were available.

Response. No change has been made. When seeking funds for development activities, the statute requires an institution to apply for either a nonrenewable or renewable development grant. If an application for a nonrenewable grant is not funded, it may not be considered for funding as a renewable grant.

Section 625.20/626.20 Limitation on applications.

Comment. Two commenters objected to the provision that prohibits the four- to seven-year development grants under the Strengthening Program and the one- to five-year development grants under Special Needs Program from being renewed.

Response. No change has been made. The statute authorizing the Strengthening Program stipulates that the four- to seven-year development grants are nonrenewable. For the Special Needs Program, the Congressional reports clearly demonstrate that Congress intended that an institution be limited to a single development grant with a maximum of five years of funding in order to ensure that institutions graduate from financial dependence on Title III.

Section 625.30 General rules.

Comment. Several commenters asked for clarification of the provision that authorizes the Secretary to give special consideration to institutions that propose to carry out the allowable activities specified in 34 CFR 624.15.

Response. Applications of otherwise equal quality that contain the types of activities listed in § 624.15 will be ranked higher on the funding slate than applications that propose other types of activities.

Section 625.31/626.31 Funding availability.

Comment. One commenter urged that the percentage of funds set-aside for junior and community colleges in the Strengthening Program and the Special Needs Program be considered a ceiling rather than a base.

Response. No change is necessary. It is clear from the statute that the percentage of funds allocated to junior and community colleges in each program are intended to be bases rather than ceilings.

Comment. Several commenters recommended that the Department inform potential grantees, in advance, of the actual amount of dollars that will be set aside for grants to junior and community colleges under the Strengthening Program and for grants to these institutions and historically black colleges under the Special Needs Program.

Response. One change has been made. The set-aside available to historically black institutions is contained in the regulations because it will not vary from year to year. The other set-asides are dependent on the level of Congressional appropriations. The Secretary will notify applicants of the various set-asides in the annual closing date notices for applications.

Comment. One commenter recommended that unused set-aside funds be used for general Title III funding rather than returned to the Treasury.

Response. No change has been made. There is no statutory authority for such an action.

Section 626.11 Allowable activities.

Comment. Several commenters objected to the fact that planning grants under the Strengthening Program can be used for developing a plan or an application, while planning grants awarded under the Special Needs Program can only be used to develop a long-range plan.

Response. No change has been made. The uses to which a planning grant may be put are specified in the statute. There is no statutory basis for allowing Special Needs planning grants to be used for developing applications.

Section 626.31 Funding availability.

Comment. Several commenters offered alternative lists which could be used to identify historically black colleges.

Response. A change has been made. The Secretary will consider as institutions that have historically served substantial numbers of black students only those institutions listed in the 1978 National Center for Education Statistics (NCES) publication entitled: "Traditionally Black Institutions of Higher Education: Their Identification and Selected Characteristics." The Secretary considers this publication to be a stable and definitive list, based on historical criteria.

Comment. Several commenters recommended that institutions not included in the Secretary's list of historically black institutions be allowed to submit information to the Secretary that would show that they also could qualify as historically black.

Response. No change has been made. The Secretary believes that the definition of historically black institutions contained in the NCES publication referred to above is appropriate. The fact that an institution is not designated as historically black in no way precludes that institution from applying for or receiving Title III funds.

Comment. One commenter recommended that a portion of Title III funds be set aside for the exclusive use of private institutions.

Response. There is no statutory authority for such a set-aside.

Section 626.40 Cost sharing

Comment. Several commenters asked whether the institutional matching requirements could be met through in-kind contributions.

Response. Certain in-kind contributions are permissable if the matching contribution would qualify as a direct cost and allowable activity of the project. In-kind contributions analogous to general operating and maintenance expenses or indirect cost, such as space, fuel, and personnel not directly working under the grant, cannot be counted.

Section 627.2 Eligible applicants

Comment. Some commenters were concerned that the eligibility criteria in the proposed regulations did not comply with the law and permit schools that offered graduate degrees, but not bachelors degrees to be eligible for a Challenge Grant.

Response. The regulations follow the statute. Institutions that offer a graduate or professional degree but not a bachelor's degree will be eligible if they meet the eligibility criteria in §§ 625.2 or 626.2 and 627.2.

Section 627.11 Allowable activities

Comment. One commenter observed that under this section only institutions that had been designated as eligible for the Challenge Grant Program on the basis of being eligible for the Strengthening or Special Needs Programs would be able to carry out activities under a challenge grant.

Response. A change has been made. A new paragraph (c) has been added which stipulates that institutions designated as eligible by virtue of an alternative method set forth in § 627.2(b)-(d) may use challenge grant funds to carry out the activities listed in 34 CFR 624.13(b).

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Comment. Several commenters objected to the fact that development offices appear to be denied the use of challenge grant funds.

Response. No change has been made. Challenge grant funds may be used to strengthen the operational capacity of development offices by, for example, training development officers. They may not be used to support specific development or fund raising activities because of the general prohibition on using Federal funds to raise money.

Comment. One commenter asked whether Challenge Grant funds may be used for the "College Endowment Funding Plan."

Response. Challenge grant funds may not be used for this purpose.

Section 627.20 General

Comment. Some commenters objected to the requirement that an institution have matching funds on hand at the time of application for a challenge grant and that these funds be from sources previously unavailable to the institution.

Response. A change has been made. An institution is only required to include in its application evidence that funds are available to match the funds it is requesting. In addition, the matching funds must be new funds, rather than funds from new sources, previously unavailable to the institution. The Secretary considers a letter of intent from the source of the matching funds to be satisfactory evidence.

Section 627.30 General rules

Comment. Many commenters asked how the provision requiring the Secretary to give preference to institutions that have received, or are receiving, Strengthening or Special Needs grants, will be implemented.

Response. Challenge grant applications of otherwise equal quality from institutions that have received, or are receiving Strengthening or Special Needs grants will be placed higher on the recommended funding slate than applications from institutions that have not received funds from these programs.

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Appendix D

Key Letters and Forms Used in the Title III Study of Institutional Development

1. Five-Year Fiscal Trends Worksheet

2. Letter of Invitation to Presidents, with Attachments

3. Fiscal Information Questionnaire and Cover Letter

4. Essential Questions Included on the Several Site Visitor Reporting Forms

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Appendix D-1

Fiscal Five-Year Trends Worksheet

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Name of Institution

Person Completing Form

FICE Code

Date

Five-Year Fiscal Trends Worksheets

Instructions

Attached are selected pages from the NACUBO Financial Self-Assessment workbook augmented with some critical fiscal information on Title III (colored pages).

Information available from current data-of-record at the Department of Education is entered for the academic years from 1976-77 through 1979-80 (or fiscal year ending in 1980). Other information important for the series of case studies on the impact of Title III on institutional fiscal viability will be drawn from a questionnaire mailed to the participating institutions.

The information on the form, when the additional data are complete, will constitute an important basis for the reviews and discussions with the fiscal specialist on the site visit team, and will become a basic internal record document for the case study files.

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WORKSHEET NOTES

1) The fiscal information for pages selected from the NACUBO Financial Self-Assessment Workbook is reported in thousandths ($000). The fiscal information for Title III (following page 61) is not reported in thousandths.

2) The Title III awards are reported according to the federal fiscal year in which the award was made. All other fiscal information is reported according to "fiscal year ending." For example, this means that for fiscal year ending 1977 (October 1, 1976 through September 30, 1977), institutions were to report data collected for their financial reporting period that ended in 1977. For most institutions, this would be academic year 1976-1977 which began August/September 1976 and ended May/June 1977.

3) On page 10 of the NACUBO Workbook, item 25, average full-time faculty compensation does not include benefits. Compensation is calculated based upon FTE faculty salary only. In instances where the salary amount was missing for a small percent of the faculty (less than 10 percent), average compensation was computed only for faculty for whom salary information was available. In these cases an asterisk (*) is placed by the compensation amount. When the salary amount was missing for greater than 10 percent of the FTE faculty, "missing data" was written in the blank.

4) On page 12 of the NACUBO workbook, item 50, FTE students is equal to FTE undergraduate students only. For some institutions, the pattern of student enrollment over several years is erratic and may need to be verified (e.g., 2,000 in 1976-77, 2,500 in 1977-78, 1,200 in 1978-79, 1,800 in 1979-80).

Revenues (from statement of revenues and expenditures)	FY / Academic year	1976 / 1976-77	1977 / 1977-78	1978 / 1978-79	1979 / 1979-80	1980 / 1980-81	1981 / 1981-82	1982 / 1982-83
*1. Tuition and fees ($000)		$____	$____	$____	$____	$____	$____	$____
2. Government appropriations (federal, state, and local) ($000)		$____	$____	$____	$____	$____	$____	$____
3. Government grants and contracts (federal, state, and local, including scholarship aid, SEOGs, work-study revenues, research funds, education "title" funds, etc.) ($000)		$____	$____	$____	$____	$____	$____	$____
4. Private gifts, grants, and contracts (include unrestricted *and* restricted) ($000)		$____	$____	$____	$____	$____	$____	$____
5. Endowment income (include unrestricted *and* restricted) ($000)		$____	$____	$____	$____	$____	$____	$____
6. Other current fund revenues ($000)		$____	$____	$____	$____	$____	$____	$____
7. Auxiliary enterprise revenue ($000)		$____	$____	$____	$____	$____	$____	$____
8. Revenue from independent operations ($000)		$____	$____	$____	$____	$____	$____	$____
9. Current fund revenues (include unrestricted *and* restricted) (add items 1 through 8) ($000)		$____	$____	$____	$____	$____	$____	$____
10. Value of contributed services (even if included above) ($000)		$____	$____	$____	$____	$____	$____	$____
11. Financial support from affiliated organizations or patron foundations (even if included above) ($000)		$____	$____	$____	$____	$____	$____	$____
*12. Tuition and fee rate per year for a full-time student ($000)		$____	$____	$____	$____	$____	$____	$____

Fiscal Year Ending:

*Data needed for Core Statistics.

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Expenditures and Transfers (from statement of revenues and expenditures)	FY 1976 / Academic year 1976-77	1977 / 1977-78	1978 / 1978-79	1979 / 1979-80	1980 / 1980-81	1981 / 1981-82	1982 / 1982-83
			Fiscal Year Ending:				
*13. Instruction ($000)	$____	$____	$____	$____	$____	$____	$____
14. Research ($000)	$____	$____	$____	$____	$____	$____	$____
15. Public service ($000)	$____	$____	$____	$____	$____	$____	$____
16. Academic support ($000)	$____	$____	$____	$____	$____	$____	$____
17. Student services ($000)	$____	$____	$____	$____	$____	$____	$____
18. Institutional support ($000)	$____	$____	$____	$____	$____	$____	$____
19. Operation and maintenance of plant ($000)	$____	$____	$____	$____	$____	$____	$____
*20. Scholarships and fellowships from unrestricted funds ($000)	$____	$____	$____	$____	$____	$____	$____
*21. Scholarships and fellowships from restricted funds ($000)	$____	$____	$____	$____	$____	$____	$____
*22. Mandatory transfers ($000)	$____	$____	$____	$____	$____	$____	$____
*23. Educational & general expenditures plus mandatory transfers ($000) (E&G + MT) (add items 13 through 22)	$____	$____	$____	$____	$____	$____	$____
24. Utilities included in operation and maintenance of plant (electricity, gas, coal, steam, water, etc.) (see item 19) ($000)	$____	$____	$____	$____	$____	$____	$____
*25. Average full-time faculty compensation (salary and benefits) ($000)	$____	$____	$____	$____	$____	$____	$____
26. Average exempt staff salaries (administrative and institutional services) ($000)	$____	$____	$____	$____	$____	$____	$____
27. Debt service due for all funds (within the fiscal year listed) ($000)	$____	$____	$____	$____	$____	$____	$____
28. Total books and periodicals expenditures ($000)	$____	$____	$____	$____	$____	$____	$____

*Data needed for Core Statistics.

Balance Sheet Items	FY	1976	1977	1978	1979	1980	1981	1982
	Academic year	1976-77	1977-78	1978-79	1979-80	1980-81	1981-82	1982-83
29. Unrestricted current fund assets ($000)		$____	$____	$____	$____	$____	$____	$____
30. Student accounts receivable at end of fiscal year (not including credit balances or advance billings) ($000)		$____	$____	$____	$____	$____	$____	$____
31. Uncollectible student accounts written off in fiscal year ($000)		$____	$____	$____	$____	$____	$____	$____
32. Unrestricted current fund liabilities ($000)		$____	$____	$____	$____	$____	$____	$____
*33. Unrestricted current fund balance (should equal item 29 minus item 32) ($000)		$____	$____	$____	$____	$____	$____	$____
*34. Quasi-endowment market value ($000)		$____	$____	$____	$____	$____	$____	$____
35. Endowment (including quasi) market value ($000)		$____	$____	$____	$____	$____	$____	$____
36. Value of marketable land (not included in endowment) ($000)		$____	$____	$____	$____	$____	$____	$____
Deferred Maintenance								
37. Estimate of deferred physical plant maintenance ($000)		$____	$____	$____	$____	$____	$____	$____
Personnel								
38. Number of tenured faculty or faculty with long-term contracts (greater than five years)		____	____	____	____	____	____	____
*39. FTE (full-time equivalent) faculty (fall)		____	____	____	____	____	____	____
40. FTE administrative exempt staff (excluding auxiliary staff) (fall)		____	____	____	____	____	____	____

*Data needed for Core Statistics.

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Students (from admissions reports)
(Note: Items 41-49 require information from academic year, not fiscal year.)

	Fiscal Year Ending:						
FY	1976	1977	1978	1979	1980	1981	1982
Academic year	1976-77	1977-78	1978-79	1979-80	1980-81	1981-82	1982-83
41. Inquiries (bona fide, not from purchased lists)	____	____	____	____	____	____	____
*42. Freshmen applications	____	____	____	____	____	____	____
*43. Transfer applications	____	____	____	____	____	____	____
*44. Acceptances of freshmen and transfer applicants	____	____	____	____	____	____	____
45. New students (freshmen and transfers)	____	____	____	____	____	____	____
46. Percentage of previous year's eligible students who enroll for next class	____%	____%	____%	____%	____%	____%	____%
47. Average test scores of entering freshmen	____	____	____	____	____	____	____
48. Percentage of entering students from top 20% of high school class	____%	____%	____%	____%	____%	____%	____%
49. Percentage of entering students from top 40% of high school class	____%	____%	____%	____%	____%	____%	____%
*50. FTE students (fall)	____	____	____	____	____	____	____
51. Total student headcount (fall)	____	____	____	____	____	____	____

Financial Aid (from financial aid office reports)

52. Amount of BEOGs *not included* in items 20 through 22 ($000)	$____	$____	$____	$____	$____	$____	$____
53. State student aid *not included* in items 20 through 22 ($000)	$____	$____	$____	$____	$____	$____	$____
54. Federal work-study *not included* in items 20 through 22 ($000)	$____	$____	$____	$____	$____	$____	$____
55. Other government student aid *not included* in items 20 through 22 ($000)	$____	$____	$____	$____	$____	$____	$____
56. All government student aid *not included* in revenues (items 20 through 22) (add items 52 through 55) ($000)	$____	$____	$____	$____	$____	$____	$____

Projected Data

	1981	1982	1983	1984	1985
57. Potential *first-time* student enrollment decline (% decline from base year 1980 because of changing demographics)	____%	____%	____%	____%	____%

*[illegible]d for Core Statistics.

Category: Changes Affecting Financial Resources
Selected Statistic: Revenue Bar Graphs

Significance of Statistic

Changes in the proportion of support from various sources can be used to find both strengths and weaknesses in an institution's revenue strategy. Of greatest concern are declines in the proportion of revenue from gifts and marked increases in the proportion of revenue from tuition. Institutions that become more heavily dependent on tuition revenues are offering students less for their money. In this situation the added benefits brought by other sources of revenue may be declining.

Calculation Worksheet

Values needed to fill in the bar graphs can be calculated on the following worksheet.

Fiscal year ending:		1976	1977	1978	1979	1980	1981	1982
A. Tuition and fees	(1*)	$____	$____	$____	$____	$____	$____	$____
B. Government appropriations (federal, state, and local)	(2*)	$____	$____	$____	$____	$____	$____	$____
C. Government grants and contracts	(3*)	$____	$____	$____	$____	$____	$____	$____
D. Private gifts, grants, and contracts	(4*)	$____	$____	$____	$____	$____	$____	$____
E. Endowment income	(5*)	$____	$____	$____	$____	$____	$____	$____
F. Other current fund revenues	(6*)	$____	$____	$____	$____	$____	$____	$____
G. E&G + MT	(23*)	$____	$____	$____	$____	$____	$____	$____

* Refers to corresponding item on worksheet in chapter 3, "User Data."

Proportions	1976	1977	1978	1979	1980	1981	1982
H. Tuition (A divided by G):	____	____	____	____	____	____	____
I. Appropriations (B divided by G):	____	____	____	____	____	____	____
J. Grants and contracts (C divided by G):	____	____	____	____	____	____	____
K. Private gifts (D divided by G):	____	____	____	____	____	____	____
L. Endowment income (E divided by G):	____	____	____	____	____	____	____
M. Other revenue (F divided by G):	____	____	____	____	____	____	____

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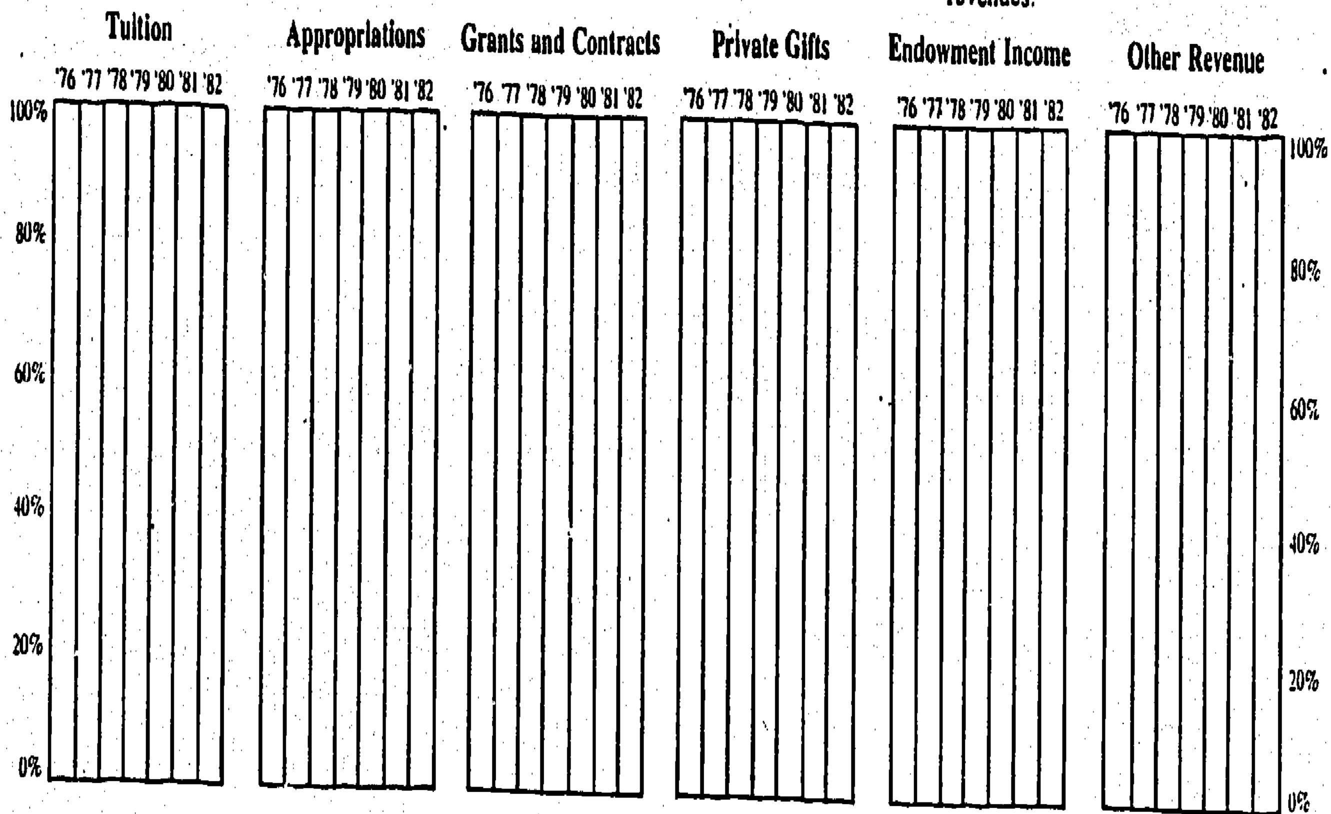
Revenue Proportions for Five Years

Instructions: For each year in each category, draw a line indicating the percentage of total revenues.



Category: Changes Affecting Financial Resources

Selected Statistic: Expenditure Bar Graphs

Significance of Statistic

Major changes in the expenditure allocation strategies of the institution are revealed in the following bar graphs. Most of the areas listed are functional categories. Thus, declines or increases in the proportion spent on any area indicate changes in institutional priority for that function. If the proportion spent on instruction has declined, for example, this analysis will show which areas have increased proportionately.

Calculation Worksheet

The values needed to fill in the bar graphs can be calculated on the following worksheet.

Fiscal year ending:		1976	1977	1978	1979	1980	1981	1982
A. Instruction	(13*)	$	$	$	$	$	$	$
B. Research	(14*)	$	$	$	$	$	$	$
C. Public service	(15*)	$	$	$	$	$	$	$
D. Academic support	(16*)	$	$	$	$	$	$	$
E. Student services	(17*)	$	$	$	$	$	$	$
F. Institutional support	(18*)	$	$	$	$	$	$	$
G. Operation and maintenance of plant	(19*)	$	$	$	$	$	$	$
H. Scholarships and fellowships from unrestricted funds	(20*)	$	$	$	$	$	$	$
I. Mandatory transfers	(22*)	$	$	$	$	$	$	$
J. Total E&G expenditures (excluding restricted student aid) (add A through I)		$	$	$	$	$	$	$

*Refers to corresponding item on worksheet in chapter 3, "User Data."

Proportions	1976	1977	1978	1979	1980	1981	1982
K. Instruction (A divided by J):							
L. Research (B divided by J):							
M. Public service (C divided by J):							
N. Academic support (D divided by J):							
O. Student services (E divided by J):							
P. Institutional support (F divided by J):							
Q. Operation and maintenance of plant (G divided by J):							
R. Unrestricted student aid (H divided by J):							
S. Mandatory transfers (I divided by J):							

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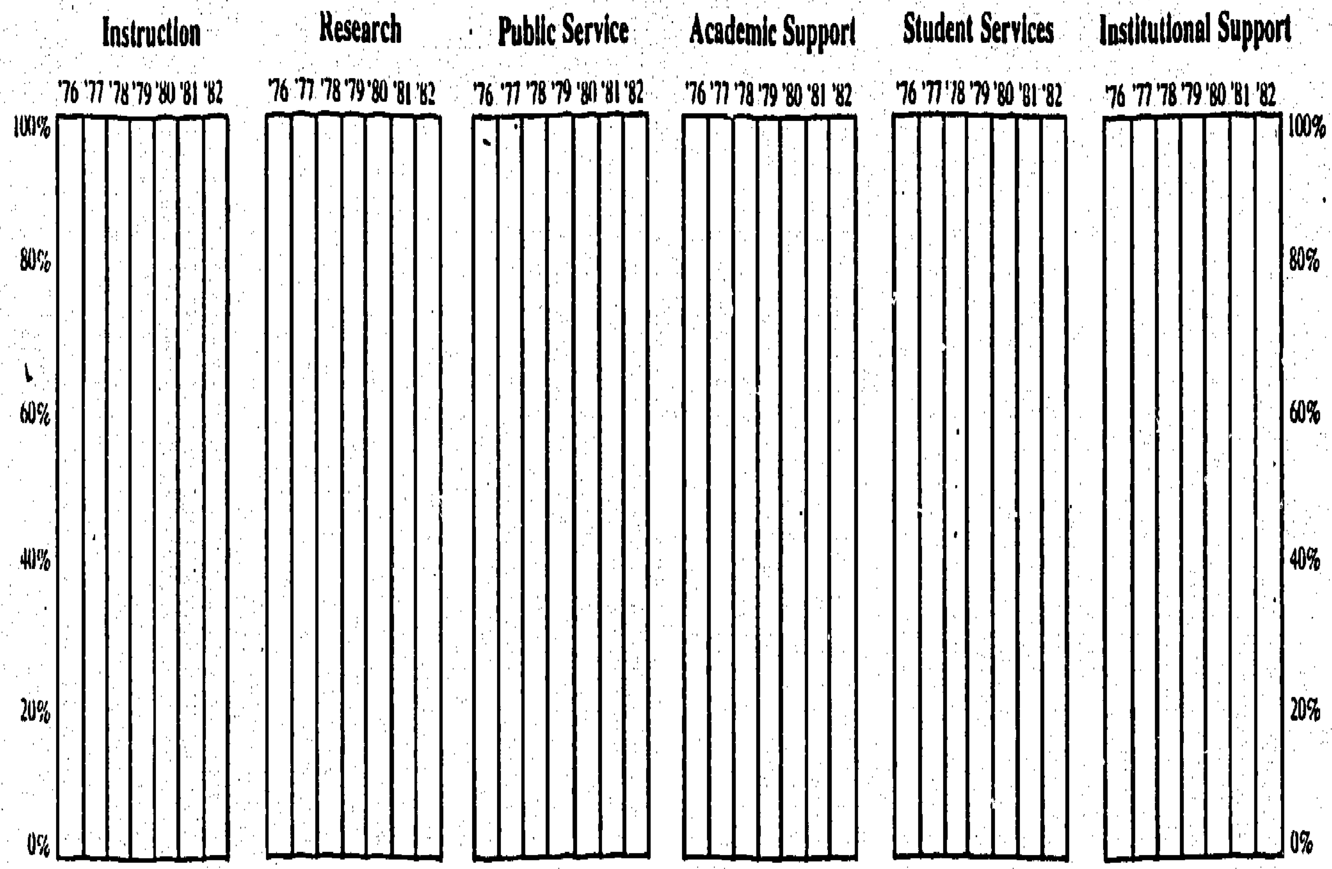
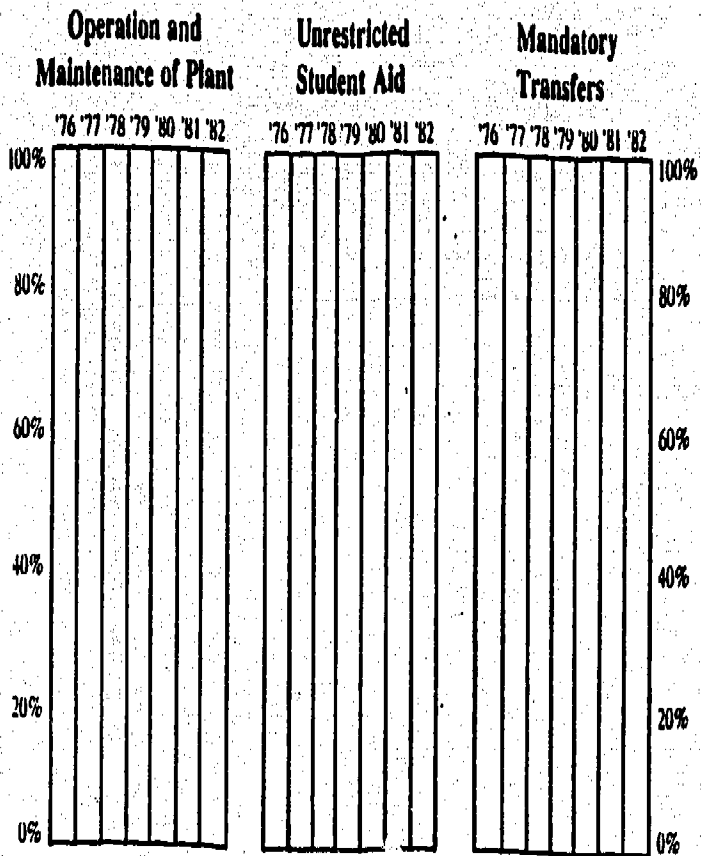
Expenditure Proportions for Five Years

Instructions: For each year in each category, draw a line indicating the percentage of total expenditures.





Explanation of Calculations

All expenditures and mandatory transfers in the current fund, except restricted scholarships and fellowships, are included in computing the base. Restricted scholarships and fellowships such as SEOGs were excluded because of the distortion that may be caused when outside agencies provide student aid through the current fund.

Interpretations

The bar graphs show how changes in the instruction budget may be affected by budget changes in other areas. Changes in the **Instruction Proportion** may be caused by additional library expenditures or academic support, utilities costs as part of plant operation and maintenance, increased debt costs as part of mandatory transfers, or increased student services expenditures.

Limitations

The "condition" of the institution is not revealed by these graphs. They can show only expenditure patterns during the five years.

Further Analysis

The budget proportion allotted to specific items such as utilities, library acquisitions, and financial aid administration may be analyzed. More detailed items within an area represented by one of the bar graphs may also be charted.

Expenditure factors such as salaries or contracted services can be analyzed to determine if the institution has changed its method of delivering services.

Title III Revenues:

	Awards Made in Federal Fiscal Year (for Subsequent Academic Year(s)):					
FY	1976	1977	1978	1979	1980	1981
0. Title III awards made to institution, by fiscal year	\$ ____ (For _ yrs.)	\$ ____ (For _ yrs.)	\$ ____ (For _ yrs.)	\$ ____ (For _ yrs.)	\$ ____ (For _ yrs.)	\$ ____ (For _ yrs.)

	Fiscal Year Ending:					
FY	1977	1978	1979	1980	1981	(Projected) 1982
3A. Amount of Title III funds represented in current funds revenue for year indicated	\$ ____	\$ ____	\$ ____	\$ ____	\$ ____	\$ ____
9A. Proportion of current funds revenues from Title III (line 3A divided by line 9, page 9)	____	____	____	____	____	

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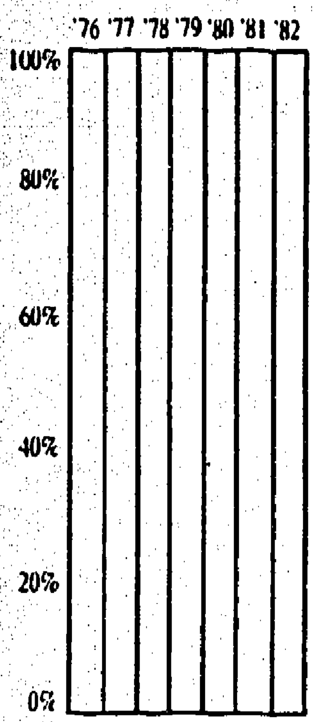
TITLE III

Revenue Proportions for Five Years *



* Title III funds should also be included in the prior total revenue from grants and contracts. Proportions for graph come from line 9A, p. 9A.

Fiscal Year Ending:

	1977	1978	1979	1980	1981	1982
			(Actuals)			(Projected)
Title III Funds Expenditures (in terms of nature of expenditure)						
NOTE: Please report in this section how Title III revenues reported in prior Section II were expended.						
1. Instruction	$	$	$	$	$	$
2. Research	$	$	$	$	$	$
3. Public Service	$	$	$	$	$	$
4. Academic Support	$	$	$	$	$	$
5. Amount in line 4 for libraries, etc. (see HEGIS instructions for line 4)	$	$	$	$	$	$
6. Student Services	$	$	$	$	$	$
7. Institutional Support	$	$	$	$	$	$
8. Operation and maintenance of plant	$	$	$	$	$	$
9, 10. Scholarships and fellowships	$	$	$	$	$	$
11. Mandatory transfers	$	$	$	$	$	$
12. Total, Title III funds represented in total educational and general expenditures and mandatory transfers (Totals, lines 1-4 and 6-11 above)	$	$	$	$	$	$

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NOTE: Figures given are (real) (estimated) amounts. (Circle one.)

Category: Changes in Allocation of Title III Funds to Expenditure Categories

Selected Statistic: Title III Expenditure Bar Graphs

Calculation Worksheet

The values needed to fill in the bar graphs can be calculated on the following worksheet, with entries for items A through J drawn from page 10A.

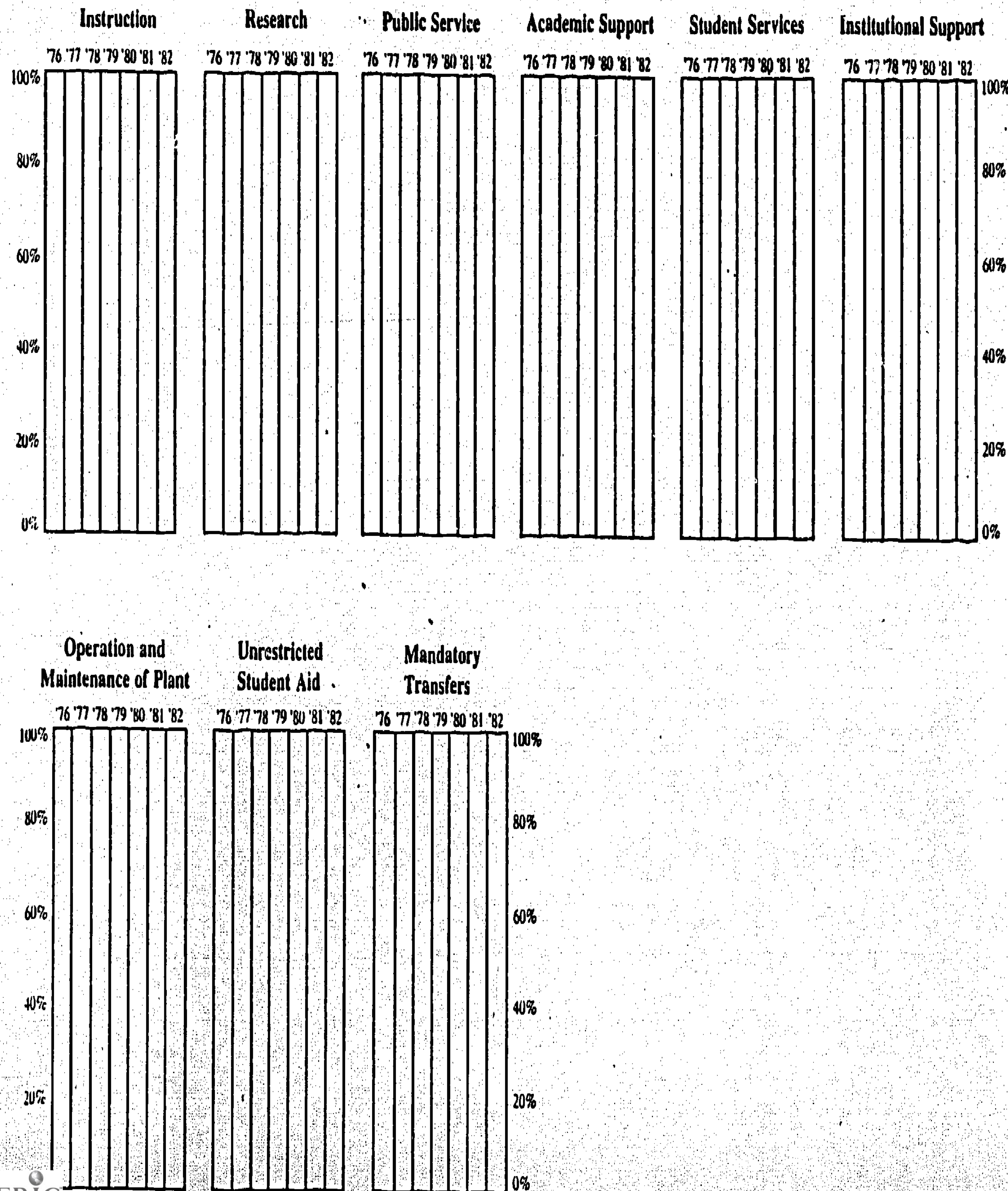
Title III Expenditures: Fiscal year ending:	1976	1977	1978	1979	1980	1981	1982
A. Instruction	$____	$____	$____	$____	$____	$____	$____
B. Research	$____	$____	$____	$____	$____	$____	$____
C. Public service	$____	$____	$____	$____	$____	$____	$____
D. Academic support	$____	$____	$____	$____	$____	$____	$____
E. Student services	$____	$____	$____	$____	$____	$____	$____
F. Institutional support	$____	$____	$____	$____	$____	$____	$____
G. Operation and maintenance of plant	$____	$____	$____	$____	$____	$____	$____
H. Scholarships and fellowships from unrestricted funds	$____	$____	$____	$____	$____	$____	$____
I. Mandatory transfers	$____	$____	$____	$____	$____	$____	$____
J. Total Title III expenditures	$____	$____	$____	$____	$____	$____	$____

*Refers to corresponding item on worksheet in chapter 3, "User Data."

	1976	1977	1978	1979	1980	1981	1982
K. Instruction (A above divided by A, p. 59):	____	____	____	____	____	____	____
L. Research (B above divided by B, p. 59):	____	____	____	____	____	____	____
M. Public service (C above divided by C, p. 59):	____	____	____	____	____	____	____
N. Academic support (D above divided by D, p. 59):	____	____	____	____	____	____	____
O. Student services (E above divided by E, p. 59):	____	____	____	____	____	____	____
P. Institutional support (F above divided by F, p. 59):	____	____	____	____	____	____	____
Q. Operation and maintenance of plant (G above divided by G, p. 59):	____	____	____	____	____	____	____
R. Unrestricted student aid (H above divided by G, p. 59).	____	____	____	____	____	____	____
S. Mandatory transfers (I above divided by I, p. 59):	____	____	____	____	____	____	____

Title III expenditure proportions for five years

Instructions: For each year in each category, draw a line indicating the percentage of Title III expenditures for the total expenditures in that category.



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Appendix D-2

Invitational Letter to Presidents, and Attachments

UNITED STATES DEPARTMENT OF EDUCATION
WASHINGTON, D.C. 20202

(Date)

Dr. John Doe, President
Presidential Suite University
3 School Lane
Cornerstone Memorial Building
Title III, Maine 00010

Dear President Doe:

The Department of Education, through the Assistant Secretary for Management and the Office of Planning and Evaluation Service, initiated a preliminary program review of the Institutional Assistance Program during the 1980-81 academic year. That inquiry, completed last September, suggested that an examination of the impacts of developmental activities serving in a significant way the essential purposes of the enabling legislation (HEA Title III) would be readily feasible, and instructive for both program management and institutional participants toward program improvement.

The purpose of this letter is to invite your participation, as one of 50 selected institutions currently receiving Institutional Assistance Program (HEA Title III) grant support, in this series of case studies of effective developmental activity.

Research Triangle Institute in North Carolina (RTI), with the assistance of the Center for Systems and Program Development (CSPD) of Washington, D.C., has been contracted to conduct the case studies. Teams of three senior specialists (one each in fiscal affairs, institutional development, and education program evaluation) will conduct the case studies with particular attention to the short- and long-term implications of HEA Title III and other soft monies for the attainment of fiscal viability.

The case studies will serve two major purposes: (1) to provide generalizable information for the Department of Education on factors and strategies that have proven to be effective in institutional development; and (2) to serve as a basis for a special report of selected outstanding practices, as a guide to other institutions confronted with similar challenges.

The case studies will involve a series of interviews, over a two-day period on your campus this coming summer or fall, with you and other key institutional representatives. Heaviest time demands (two or three hours) in that period would be made on the chief fiscal officer, the chief academic officer, the planning director, the Activity directors and their staff for the three selected developmental activities to be studied in depth, and you or your representative as chief administrative officer. The case studies will attempt to characterize the selected developmental activities in the three domains represented by the specialists (fiscal development, management and administration, and educational or special student services programs), as they relate to institutional development.

In addition to scheduled interviews, the study team will also be interested in any internal studies, relevant documents and reports, and other materials that would aid in understanding the context of the selected activities. The site visitors would hope to schedule a special review session with you and others you may designate at the end of the two-day period.

For the formal project report to the Department of Education, the focus will be on practices that meet the legislative objectives of HEA Title III, and the general factors involved in this success. No information will be associated, in this formal project report, with any particular institution. Statistical data will be drawn primarily from data of record already on file at the Department of Education. For the special report of exemplary practices, we would, however, like to identify institutions and potential contact persons. Drafts of any activity reports nominated for inclusion in this report will be submitted to you for review, modification, and approval prior to delivery to the Department of Education.

There are two enclosures. The first is a brief statement of study objectives, procedures, and reports. The second attachment is a set of definitions and procedures for you and/or your key representatives to use in nominating from six to ten developmental activities at your institution, begun within the last five years, that you feel have had special significance for your institution. These activities nominated by you would serve as a pool from which to draw a sample of three or more activities to be reviewed in depth during the site visits. The form may be completed and returned to RTI, or used as a basis for telephone discussion and mutual selection.

In a few days, the project director at RTI will telephone you to answer any questions, to determine your willingness to participate, and to decide tentatively with you on the activities for prime focus. He would also like then to obtain the name of the contact person on your campus who could serve as your representative for making operational arrangements and specific plans for the campus visit.

We believe the focus of the study--documenting outstanding accomplishments in institutional development and how they came about--is a positive and proper one. The particular utility the inquiry may have for you in identifying factors associated with successful operation, as well as for the Department of Education in explicating those factors, will be substantial. We hope that you will share in this joint search to document the means employed in enhancing institutional development.

Sincerely,

Margaret J. Seagears

Margaret J. Seagears
Deputy Assistant Secretary for
Institutional Support and International Education Programs

Enclosures

Impact Study of Significant Developmental Activities at Institutions Participating in the Institutional Assistance Program (HEA Title III)

Brief Description

Research Triangle Institute, Research Triangle Park, NC 27709 June 1982

Impact Study of Significant Developmental Activities at Institutions Participating in the Institutional Assistance Program (HEA Title III)

Brief Description

Origin of and Authority for the Study

In October 1980, the U.S. Department of Education contracted with the Research Triangle Institute to conduct an evaluability assessment of the Institutional Assistance Program (formerly the Strengthening Developing Institutions Program) created by Title III of the Higher Education Act of 1965. That assessment was completed in September of 1981, with the recommendation that a second phase evaluation be focused on developmental activities or strategies that have been found to serve in a significant manner the essential purposes of the enabling legislation. That recommendation was accepted, under the reasoning that explication of successful practices should help institutional and program management improve the impact of this significant institutional support program. The impact evaluation described briefly herein was accordingly contracted to the Research Triangle Institute in September, 1981.

The authority for the impact evaluation is the General Education Provisions Act of 1974 (20 U.S.C. 1126c), which requires that the Department of Education identify reasonable objectives for its programs.

Rationale for the Impact Study

The general purpose of the enabling legislation, as defined by the Higher Education Act of 1980 and current regulations, may be stated as: the improvement of fiscal viability and self-sufficiency of institutions serving low income students, through improvement in fiscal management and support, in numbers of low income students served, and in quality and appropriateness of academic or special support programs. The impact study highlights developmental activities supported by (or similar to those supported by) Title III, which have, in the experience of the involved institutions, served those institutions and Congressional intent in a satisfactory to exemplary manner. Thus, the focus of the impact study is not so much on what has or has not been achieved by the Title III program in general, but on factors involved in successful developmental programs by institutions receiving Title III support. This strategy of developing an "anatomy of success" should be maximally beneficial to Title III program management in the application/review process and in providing appropriate and meaningful technical assistance.

Study Procedures and Activities

Participating Institutions: Institutions asked to participate will represent random samples of 20 public and 30 private institutions currently designated (1981-82) as prime grantees that have received Title III funding continuously since 1976-77 with average annual awards over that period of $200,000 or more.

Research Strategies: Activities selected for intensive study will be explored on site utilizing intensive case study methods, through interviews with key administrative officers and activity planners, managers, and staff, through study of available activity documentation, and through examination of institutional evidences of effectiveness. Maximal use will be made of data of record already on file in the Department of Education--notably, institutional data selected from the Higher Education General Information Surveys over the period 1976-present and from files in the Division of Institutional Development.

Developmental Activities and Their Selection: A developmental activity is defined as any activity generally eligible for support under Title III, however supported, that: is directed toward improving the fiscal viability or self-sufficiency of the institution; has a designated individual (or committee) responsible for its conduct; is described by a formal plan prescribing purpose, strategies, and start-end dates and schedule; has a discrete budget for its conduct; and for which routine records of progress and/or impact are maintained.

Institutions in the impact study sample will be asked to nominate six to ten such activities initiated in the period 1976-77 to the present, with a minimum of two activities in each of the following general areas: fiscal development and resource management; institutional administration, organization, and management (other than fiscal); and educational program and support services. A representative mix of nominated activities, consisting of at least three activities per institution, will be selected by the contractor for intensive case study.

Case Study Procedures: Teams of three specialists--representing the areas of fiscal affairs, institutional management, and education programs and services--will spend two days on each designated campus, for the purpose of developing a general understanding about the institutional context and developmental priorities, and exploring a minimum of three selected developmental activities in depth with those responsible for their execution. Visits will be preceded by study of activity descriptions in the most recent Title III application or operational plan, review of data of record on revenue and expenditures from the HEGIS surveys, and study of key documents to be provided by the institution--e.g., the current catalog, any formal long-range plan, any available relevant institutional studies appropriate for sharing, etc.

Reports to be Produced: Two basic reports from the case study activity will be developed for delivery to the Department of Education. A first report will consist of vignettes describing selected exemplary practices considered particularly instructive, worthy of emulation, and transferable to other institutional settings. First drafts of each of these vignettes will be provided to the sponsoring institution for review, augmentation, and approval prior to delivery to the Department of Education. The final volume will be produced in a manner suitable for wide distribution among current and prospective Title III institutions.

The second report, to be drawn as a synthesis from the general experience and findings from the individual case studies, will be an examination of the general strategies that work, the factors that appear to be associated with their success, and the procedural and policy implications for program and institutional management. In this report, no specific institution will be associated with a particular practice or finding.

Brief Description of the Contracting Firms

The Research Triangle Institute is a private, not-for-profit contract research organization located in North Carolina's Research Triangle Park. Created in 1958, it has operated as a separately-governed affiliate of the University of North Carolina at Chapel Hill, Duke University, and North Carolina State University. RTI conducts research programs under contract for a variety of Federal, State, and private sector sponsors, in four areas: Chemistry and Life Sciences; Energy, Engineering, and Environmental Sciences; the Statistical Sciences; and the Social Sciences. The current activity is the responsibility of the Center for Educational Research and Evaluation (CERE) in RTI's Social Science group. Recent contracts relevant to the current inquiry include a national evaluation of the Talent Search and Upward Bound programs; a process evaluation of remedial programs in the University of North Carolina's constituent institutions; a study of the Veterans' Cost-of-Instruction Program; and (for the Association of Governing Boards) a study of factors associated with effectively-functioning governing boards of colleges and universities.

The Center for Systems and Program Development, Inc. (CSPD) is a Washington-based minority-owned small business corporation incorporated in the State of Maryland in 1975, offering research, technical, informational, and management support services to government and private industry. Focusing on the social sciences and related technology, CSPD provides services in five areas: research, information transfer, analysis and evaluation, training and technical assistance, and management and technical support.

Additional Information May Be Obtained From:

RTI Project Director

Dr. Junius A. Davis
Research Triangle Institute
P.O. Box 12194
Research Triangle Park, NC 27709
Phone: 919-541-6309

Project Coordinator for CSPD

Dr. William Ellis
Center for Systems and Program Development, Inc.
1522 K Street, N.W., Suite 740
Washington, D.C. 20005
Phone: 202-289-5600

Technical Monitor for the Department of Education

Dr. Sal Corrallo
Office of Planning and Evaluation Service
Room 4122 FOB-6
U.S. Department of Education
400 Maryland Avenue, S.W.
Washington, D.C. 20202
Phone: 202-245-7884

Worksheet for Nomination of Significant Developmental Activities

(Name of Institution)	(Name of Individual Coordinating and Submitting Nominations)
	(Title)
	(Date)

This worksheet is for use in identifying developmental activities that are believed to have contributed significantly to the development and fiscal viability of your institution.

Developmental activities nominated should meet the following specifications, in addition to having served (or currently serving) their special developmental functions in a manner considered satisfactory or of special significance:

1. the activity is essentially developmental in nature--that is, its purpose is to improve the fiscal viability and self-sufficiency of the institution by direct or indirect means, such as increasing resources, improving efficiency of operation, improving quality of educational program or support services (particularly for students from low income backgrounds);

2. the activity is described by a formal plan prescribing purpose, general nature of strategies, expected outcomes or changes, time lines for accomplishment, etc.;

3. the activity is assigned a discrete budget for its conduct;

4. the activity involves one or more faculty or staff, with a single individual (or committee) designated as responsible for its management and conduct;

5. records of progress--in terms of milestones, accomplishments, outputs, impact measures, or consequences--are maintained;

6. the activity has operated within the last six years, although it may have been initiated before that;

7. the activity is not restricted to funded "Title III Activities".

A minimum of two developmental activities should be nominated in each of the following three areas: fiscal development and resource management; institutional administration, organization, and management (other than fiscal); and education program and support services. The nominations, with the brief descriptive information noted, may be provided by telephone, letter, or notations on this worksheet, to the RTI project director named below. A postpaid envelope is enclosed for your convenience. In order to begin the case study process, it is important that we receive your nominations within 10 days after the date of the cover letter written to the institution's president.

Dr. J. A. Davis, Title III Study Project Director
Research Triangle Institute
P.O. Box 12194
Research Triangle Park, NC 27709
Phone: (919)541-6309

SDIP Phase II
Form: 6-82

Nom-1

Area A: Fiscal Development and Resource Management (e.g., strengthening fund-raising capacity, improving cost effectiveness or efficiency, improving fiscal management, etc.)

1. Name of activity: ______________________
2. Period of operation: ______________________
3. Source(s) of support: ______________________
4. Brief description of focus, strategies employed, and/or impact: ______________________

1. Name of activity: ______________________
2. Period of operation: ______________________
3. Source(s) of support: ______________________
4. Brief description of focus, strategies employed, and/or impact: ______________________

1. Name of activity: ______________________
2. Period of operation: ______________________
3. Source(s) of support: ______________________
4. Brief description of focus, strategies employed, and/or impact: ______________________

1. Name of activity: ______________________
2. Period of operation: ______________________
3. Source(s) of support: ______________________
4. Brief description of focus, strategies employed, and/or impact: ______________________

Area B: Institutional Administration, Organization, and Management (Other than Fiscal) (e.g., long-range planning; management information systems; planning, management, and evaluation; faculty or staff development; self-study; general program management and control, etc.)

1. Name of activity: ____________________
2. Period of operation: ____________________
3. Source(s) of support: ____________________
4. Brief description of focus, strategies employed, and/or impact: ________

____

____

____

1. Name of activity: ____________________
2. Period of operation: ____________________
3. Source(s) of support: ____________________
4. Brief description of focus, strategies employed, and/or impact: ________

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____

____

1. Name of activity: ____________________
2. Period of operation: ____________________
3. Source(s) of support: ____________________
4. Brief description of focus, strategies employed, and/or impact: ________

____

____

____

1. Name of activity: ____________________
2. Period of operation: ____________________
3. Source(s) of support: ____________________
4. Brief description of focus, strategies employed, and/or impact: ________

____

____

____

Area C: Education Programs and Support Services (e.g., basic skills program, curricular innovation, instructional methods and technology, academic program development, counseling and guidance program, other student services, vocational and technical training program, etc.)

1. Name of activity: ____________________
2. Period of operation: ____________________
3. Source(s) of support: ____________________
4. Brief description of focus, strategies employed, and/or impact: ____________________

1. Name of activity: ____________________
2. Period of operation: ____________________
3. Source(s) of support: ____________________
4. Brief description of focus, strategies employed, and/or impact: ____________________

1. Name of activity: ____________________
2. Period of operation: ____________________
3. Source(s) of support: ____________________
4. Brief description of focus, strategies employed, and/or impact: ____________________

1. Name of activity: ____________________
2. Period of operation: ____________________
3. Source(s) of support: ____________________
4. Brief description of focus, strategies employed, and/or impact: ____________________

Appendix D-3

Fiscal Information Questionnaire

RESEARCH TRIANGLE INSTITUTE
POST OFFICE BOX 12194
RESEARCH TRIANGLE PARK, NORTH CAROLINA 27709

CENTER FOR EDUCATIONAL RESEARCH AND EVALUATION

Dr. John Doe, President
Presidential Suite University
3 School Lane
Cornerstone Memorial Building
Title III, Maine 00010

Dear President Doe:

It was a pleasure to talk with you recently and to discuss the Phase II SDIP activity evaluation which we are undertaking for the Department of Education. We are most pleased that your institution will participate in this important research effort. As noted in our conversation, either Roderick Ironside, Lucia Ward, or I will be in touch with you and/or your designees concerning details and arrangements for the activity case studies.

The forthcoming visit has as one prime focus ascertaining the impact of Title III and other "soft" funds and activities on the fiscal status and future fiscal viability of the institution.

Certain fiscal data of record in the files of the Department of Education (e.g., from Title III program records, and from the annual Higher Education General Information Surveys--HEGIS) are most relevant to the purposes of the site visit. Many of these data for your institution have been extracted by our project staff from HEGIS or other Department of Eduation files, and will be provided to the site visitors for review with appropriate members of your staff during the forthcoming visit. This information (covering the fiscal years ending 1977-80) will provide a common basis for the fiscal specialist's discussions with the chief administrative officer, the chief fiscal officer, the Title III coordinator, and others.

However, some additional information that would be most useful to both parties is not readily or reliably available as yet in the ED records. This information, also identified on the attachment, is of three general kinds:

(1) Fiscal data for the fiscal year ending 1981 reported in the most recent HEGIS. These data may be easily assembled and entered on the form by recourse to institutional copies of the HEGIS submission in fall 1981.

(2) Certain data of institutional record potentially available from admissions and student financial aid officers.

(3) Particular information on the year-by-year allocation of Title III grant funds to reported institutional revenue, and the portions assigned or utilized those years to the various standard expenditure categories. This is the information requested in Sections E and F of the attached questionnaire.

(919) 541-6000 FROM RALEIGH, DURHAM AND CHAPEL HILL

Dr. John Doe
June 25, 1982
Page Two

It will facilitate efficiency during the visit, and certainly augment its value for the institution and for the advisory discussion we would hope to schedule with you at the end of the visit, if the requested data can be preassembled by your fiscal affairs officer or under his or her direction, to be ready for review and discussion with you and them when the site visitors arrive. The enclosed questionnaire outlines the additional data needed that we should like to examine with you at that time along with the data that we will have preassembled for earlier years.

The data elements in the questionnaire are drawn from or modeled after a recent and widely used self-analysis workbook published by the National Association of College and University Business Officers (NACUBO). A copy of this workbook, providing necessary definitions and illustrating and defining the indices that can be derived, can be provided at your request.

While most of the data requested are similar to information routinely provided to the Department of Education, the case study groundrules require that RTI observe any protective requirements governing the original files of these kinds of data. No analyses of or conclusions from these data identifying a particular institution will be released by RTI or its consultants to the Department of Education or any other source without prior review and approval by the institution's chief administrative officer. It should also be noted that in our reports the focus will not be on evaluating any single institution in these terms, but on determining and better understanding the relationships between Title III and other external investments by institutions of higher education in general and their impact on the fiscal viability of the institutions.

If you or your colleagues have any questions about the purposes, definition, use, or provision of the designated data of interest in the Fiscal Questionnaire, please call me at your early convenience (919-541-6309). As indicated above, it is important to the progress of the onsite analysis that data be entered onto the form prior to the date of the visit if possible.

We look forward to the opportunity of discussing these data with you, and to your insights as to what constitutes effective developmental activity. Thank you for your interest and assistance.

Sincerely,

J. A. Davis
Senior Scientist and
SDIP Project Director

Enclosures: Fiscal Questionnaire

Institution: ____________________

Name of person responsible for provision of data: ____________________

Date completed: ____________________

OMB Number 3086-0468
Approval Expires 1/1/83

FISCAL INFORMATION QUESTIONNAIRE

Authority for and Conditions of Data Collection

Information is requested on this form under the authority of the General Education Provisions Act of 1974 (20 USC, 1226C), as a part of a contracted study to determine the impact of developmental activities funded under Title III HEA. Provision of the requested data is voluntary, and declining to respond to certain questions will be respected without prejudice or penalty. No institution will be associated by name with any particular datum on that institution in the final synthesis report to the Government, without the express prior written consent of the chief administrative officer of the institution.

Purpose and Content of this Form

A central aspect of the current case studies of the impact of developmental activities on colleges and universities will be an examination of trends in revenue, expenditures, and other fiscal or fiscally relevant indices over the last five years. Many of these indices have been selected from the Financial Self-Assessment Workbook prepared by the National Association of College and University Business Officers (NACUBO).

The contractor for this study, the Research Triangle Institute (RTI), has assembled most of the data required from records at the U.S. Department of Education covering the academic years from 1976-77 through 1979-80 (representing Fiscal Years ending 1977, 78, 79, 80). Some displays of these data for your institution will be provided to the chief administrative and fiscal officers at the time of the site visits, and used as a basis for the discussions then along with the data asked for in this instrument.

Completion of this Questionnaire

The completed questionnaire should be held by the chief administrative officer or the chief fiscal officer, for direct use in the visit (with the fiscal specialist), unless the completed form can be returned by mail at least two weeks prior to the site-visit date established for your institution. The mail address for return of the questionnaire is: Research Triangle Institute (Attn.: Dr. J. A. Davis), P.O. Box 12194, Research Triangle Park, N.C. 27709

ED 875 (4/82

Fiscal Information Questionnaire

Specific Procedures for Parts I and II

Part I involves data of record your institution reported, for Fiscal Year ending 1981, in the most recent Higher Education General Information Survey (HEGIS) (Part A and B of NCES Form 2300-4, "Financial Statistics of Institutions of Higher Education for Fiscal Year ending 1981"), but which have not yet been assembled by the National Center for Education Statistics and become available to other Federal sources.

Part I may be completed by entering the requested information from institutional file copies of the FY 1981 HEGIS report, or by inserting a xerox copy of the relevant pages from your copies of the HEGIS forms.

Part I involves data in the following areas:

A. Current funds revenues, fiscal year ending 1981
B. Expenditures and transfers, fiscal year ending 1981
C. Endowment value, fiscal year ending 1981
D. Number of fulltime faculty and FTE students, fall 1981

Part II consists of data that are probably routinely available from various campus sources. This involves:

A. Tuition and fee rates, academic years 1976-77 through 1980-81
B. (Selected) balance sheet items, fiscal year ending 1981
C. Numbers of applications, acceptances, and admissions of new students, academic years 1976-77 through 1980-81
D. State and Federal financial aid, academic years 1976-77 through 1980-81
E. Title III revenues, fiscal years ending 1977 through 1981
F. Title III expenditures, fiscal years ending 1977 through 1981

Information in categories A and B of Part II should be routinely available in your fiscal affairs office. Information in Categories C and D of Part II may be most readily available in, respectively, your admissions and student financial aid offices or their annual reports. All of the foregoing categories of information may already be assembled if your fiscal affairs office has followed the self-study activity outlined in the NACUBO *Financial Self-Assessment Workbook*, which provides definitions and illustrates uses that can be made of these data; an information copy of this workbook can be provided upon request to the RTI project director.

The last two information categories in Part II (E and F) will involve annual revenue and expenditures records on Title III (Higher Education Act) grant funds your institution has received from 1976-77 to the present.

> We request that the fiscal information be assembled prior to the forthcoming site visit, for mutual examination and discussion at that time. Questions or problems may be addressed to the Title III Study Project Director at RTI, Dr. J. A. Davis, who may be contacted at (919)541-6309. Any data items not readily available or considered sensitive may, of course, be omitted.

Part I: Data from 1980-81 HEGIS Forms

A. Revenues for FY ending 1981 from Statement of Revenues and Expenditures, as reported by the institution in the most recent Higher Education General Information Survey, "Financial Statistics of Institutions of Higher Education for Fiscal Year Ending 1981" (NCES Form 2300-4, Part A).

Source		Line No.	Revenue, FY Ending 1981
TUITION AND FEES		1	$
GOVERNMENT APPROPRIATIONS			
FEDERAL TOTAL →		2	
through state channels → $ ______			
STATE		3	
LOCAL		4	
GOVERNMENT GRANTS & CONTRACTS			
FEDERAL	Unrestricted	5	
	Restricted	6	
STATE	Unrestricted	7	
	Restricted	8	
LOCAL	Unrestricted	9	
	Restricted	10	
PRIVATE GIFTS, GRANTS AND CONTRACTS	Unrestricted	11	
	Restricted	12	
ENDOWMENT INCOME	Unrestricted	13	
	Restricted	14	
SALES AND SERVICES OF EDUCATIONAL ACTIVITIES		15	
SALES AND SERVICES OF AUXILIARY ENTERPRISES		16	
SALES AND SERVICES OF HOSPITALS		17	
OTHER SOURCES		18	
INDEPENDENT OPERATIONS		19	
TOTAL CURRENT FUNDS REVENUES (sum of lines 1 through 19)		20	$

B. Expenditures and transfers for FY ending 1981 from Statement of Revenues and Expenditures, as reported by the institution in the most recent Higher Education General Information Survey, "Financial Statistics of Institutions of Higher Education, Fiscal Year Ending 1981" (NCES Form 2300-4, Part B).

	Line No.	Expenditures, FY ending 1981
EDUCATIONAL AND GENERAL		
INSTRUCTION	1	$
RESEARCH	2	
PUBLIC SERVICE	3	
ACADEMIC SUPPORT →	4	
includes libraries of 5 $		
STUDENT SERVICES	6	
INSTITUTIONAL SUPPORT	7	
OPERATION AND MAINTENANCE OF PLANT	8	
SCHOLARSHIPS AND FELLOWSHIPS		
AWARDS FROM UNRESTRICTED FUNDS	9	
AWARDS FROM RESTRICTED FUNDS	10	
EDUCATIONAL AND GENERAL MANDATORY TRANSFERS	11	
TOTAL EDUCATIONAL AND GENERAL EXPENDITURES AND MANDATORY TRANSFERS (sum of Lines 1 through 4, and lines 6 through 11)	12	
AUXILIARY ENTERPRISES →	14	
Includes mandatory transfers of → 13 $		
HOSPITALS →	16	
Includes mandatory transfers of → 15 $		
INDEPENDENT OPERATIONS →	18	
Includes mandatory transfers of → 17 $		
TOTAL CURRENT FUNDS EXPENDITURES AND MANDATORY TRANSFERS (sum of lines 12, 14, 16, and 18)	19	$

C. <u>Endowment Value</u>

1. Endowment (including quasi) market value at end of fiscal year 1981 (from NCES Form 2300-4, Part E, Item 2(2) ($000) $ ____________

D. <u>Number of Fulltime Faculty and FTE Students, Fall 1981</u>

From the fall 1981 HEGIS report data please provide:

	Number, Fall 1981
1. Number of full-time faculty in fall 1981 (from NCES Form 2300-3, Part 1, Sections A and B)	____________
2. FTE students (fall) as reported on 1981 HEGIS (NCES Form 2300-2.3)	____________

Part II: Data of Record

A. Tuition and fee rate per year for a full-time undergraduate student

From regular charges then in effect, please provide the standard tuition and fee rate per year, as the institution calculates it, for a full-time undergraduate student for the academic years shown.

	Academic Year				
	1976-77	1977-78	1978-79	1979-80	1980-81
1. Tuition and fee rate per year for a full-time in-state student ($000)	$ ____	$ ____	$ ____	$ ____	$ ____
2. Tuition and fee rate per year for a full-time out-of-state student ($000)	$ ____	$ ____	$ ____	$ ____	$ ____

B. Balance Sheet Items

For the fiscal years indicated, provide:

	Fiscal Year Ending				
Category	1977	1978	1979	1980	1981
1. Unrestricted current fund assets ($000)	$ ____	$ ____	$ ____	$ ____	$ ____
2. Student accounts receivable at end of fiscal year (not including credit balances or advance billings) ($000)	$ ____	$ ____	$ ____	$ ____	$ ____
3. Uncollectable student accounts written off in fiscal year ($000)	$ ____	$ ____	$ ____	$ ____	$ ____
4. Unrestricted current fund liabilities ($000)	$ ____	$ ____	$ ____	$ ____	$ ____
5. Unrestricted current fund balance (should equal item B.1 minus item B.4) ($000)	$ ____	$ ____	$ ____	$ ____	$ ____
6. Estimate of quasi-endowment market value ($000)	$ ____	$ ____	$ ____	$ ____	$ ____

C. Numbers of Applications, Acceptances, and Admissions of New Students. Please provide, if possible, from records maintained by the Admissions Office, the numbers of applicants or students in the categories shown.

Category	Numbers, Academic Year 1976-77	1977-78	1978-79	1979-80	1980-81
1. Inquiries (bona fide, not from purchased lists)	______	______	______	______	______
2. Freshmen applications	______	______	______	______	______
3. Transfer applications	______	______	______	______	______
4. Acceptances of freshmen and transfer applicants	______	______	______	______	______
5. New students (freshmen and transfers)	______	______	______	______	______

ERIC

D. State and Federal Financial Aid (from financial aid office reports)

Category	Amounts, Academic Year 1976-77	1977-78	1978-79	1979-80	1980-81
1. Amount of BEOGs not included in items 9 through 11, Category I-B of this report ($000)	$ ____	$ ____	$ ____	$ ____	$ ____
2. State student aid not included in items 9 through 11, Category I-B of this report ($000)	$ ____	$ ____	$ ____	$ ____	$ ____
3. Federal work-study not included in items 9 through 11, Category I-B of this report ($000)	$ ____	$ ____	$ ____	$ ____	$ ____
4. Other government student aid not included in items 9 through 11, Category I-B of this report ($000)	$ ____	$ ____	$ ____	$ ____	$ ____
5. All government student aid not included in revenues (add items D.1 through D.4 above) ($000)	$ ____	$ ____	$ ____	$ ____	$ ____

E. Title III Revenues

Fiscal Year Ending (Academic year	1977 1976-77	1978 1977-78	1979 1978-79	1980 1979-80	1981 1980-81	1982 1981-82) (Projected)
1. Title III awards made to institution, by fiscal year (from Dept. of Ed. records)	____	____	____	____	____	____
2. Amount of Title III funds represented in current funds revenue for year indicated	$ ____	$ ____	$ ____	$ ____	$ ____	(Projected) $ ____

Appendix D-4

<u>Essential Questions Included on the Several Site Visitor Reporting Forms</u>

A. Narrative Report on Individual Activity
B. Fiscal Specialist's Summary Report
C. Management Specialist's Summary Report
D. Program Specialist's Summary Report

ERIC

Summary of Content of Narrative Report on Individual Activity

1. Origin. What was the origin of the developmental activity? What needs or other dynamics prompted the decision to proceed and the investments made? How were such needs determined? Who (by position) were the prime movers in creating the activity as a solution to an identified need?

2. Objectives. What were the objectives and desired outcomes, from a development point of view? What time period was projected for accomplishment?

3. Strategies. What were the essential strategies proposed and then actually employed in attaining the objectives? (e.g., "students and faculty will serve as recruiters... in order to reverse a trend of declining enrollment").

4. Inputs. What inputs were (are) involved? (e.g., budget, staff, materials, other resources, outside assistance, students, equipment, facilities, volunteers).

5. Plausibility. How plausible (logical) are the propositions that given the objectives and inputs, the employed strategies will yield the desired outcomes? Would (could) the strategies and the total activity reasonably ameliorate the need/problem that led to setting up the activity?

6. Monitoring and Evaluation. What methods of monitoring and evaluation are used? Have these led to revisions in objectives, strategies, or inputs during the life of the activity? What were the revisions?

7. Context. What factors in the institutional climate and context either facilitated or hampered the implementation of the strategies, or modified the general operational plan for the activity?

8. Impact. What are the impacts and the evidences therefor? Are the objectives being achieved? Where do they fit into, or what do they contribute to, institutional development and/or viability?

9. Consequences. What are the broader consequences (positive, negative, long-term, short-term, minor, major) of this developmental activity in terms of institutional development and/or viability? How has the institution changed as a result of this activity?

10. Future prospects. What is the long-term outlook for the activity? For the institution as a function of this particular activity? How important is this activity, no matter how funded? What is its long-term significance? What is involved in continuing the activity, and has it been (or will it be) absorbed by the institution? What are the future plans?

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Summary of Content of Fiscal Specialist's Summary Report

1. What is the institution's current fiscal condition, in terms of revenue and revenue mix? Resources and resource mix? Expenditures and expenditure mix? Current risk position? (This is to be drawn primarily from HEGIS data entered onto the Fiscal Worksheet and the Fiscal Questionnaire).

2. What are the trends in fiscal condition? Is the institution cognizant of these trends? What does the institution project for the future? Is this projection reasonable?

3. What internal and external factors appear to affect fiscal condition?

4. What has been and is the role and weight of external support in general? What is it likely to be in the future?

5. What additional practices and changes in the fiscal domain are needed here or would advance institutional development?

6. What is the budget formulation process? How are initial budgets generated? Who inputs? Reviews? How are final decisions made?

7. To what extent is fiscal management, as practiced at the institution, in a proactive vs. reactive mode with regard to development?

8. What fiscal considerations, if any, prompted the recourse to Title III funds or other soft money over the past six years?

9. What soft money operations are now going on? What is the institution contributing? What is the future prospect?

10. What uses have been made of (and benefits received from) consortium membership and activity (Title III consortia or others)?

11. What is the role of any institutional foundation or of investment procedures and receipts in general? To what needs are such realized funds addressed?

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Summary of Content of Management Specialist's Summary Report

1. What is the process by which the institution defines needs? Development goals? Assigns priorties? Resolves conflicts? Who are the controllers of development?

2. What are the salient features of the institutional climate that affect general condition as well as development? How do these contextual features affect developmental priorities and practices?

3. What is the institution's philosophy of development? To what extent does it rely on fiscal, management, or programmatic activity?

4. What programs/units/activities of the institution are expanding, what declining, what relatively stable? How does the institution rationalize these changes or stabilities?

5. What developmental efforts have been tried but abandoned over the years? What led to these decisions?

6. What is the institution's current condition in terms of programs and program quality? What is the fit between mission, student markets, and program?

7. What are the trends in condition in these terms? What is improving, what declining, and why? What is the institution's recognition of, and response to, these trends? What do they project for the future?

8. What is the history of Title III and similar external support at the institution vis-à-vis administration and management? What fiscal considerations, if any, prompted these activities? What are the trends in the application of this support? What of enduring value has the institution gotten from Title III?

9. What is the general administration's view of the role of external support in general, and of Title III in particular?

10. What additional constructive steps (in this domain) are being considered or being planned? What additional steps are needed?

11. What evidences are there that any prior developmental activities supported by outside funding in the last five years have resulted in programs or activities that are now integrated into the regular budget and program?

12. What negative consequences of any developmental activities in the last five years are apparent, and how did these come about?

13. What additional constructive developmental steps (in this domain) are being considered or being planned? What additional steps are needed?

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Summary of Content of Program Specialist's Summary Report

1. What has been the progression in major program development efforts over the last five years? The range of such efforts?

2. Who initiated these efforts?

3. What is the interrelationship among these efforts, if any?

4. What does the history of program developmental activity reveal as to the impact of historical mission of the institution, developmental philosophy, role of various actors (faculty, administration, board), organizational structure, and market factors (including Title III availability) on the institution's philosophy and practice of development in the program area?

5. How are program area needs assessed? Who is responsible? Who cooperates?

6. What is the role of the Title III Coordinator?

7. What does the Title III coordinator perceive to be the internal facilitating forces and barriers to development in general and program area in particular?

8. What activities in the last six years were proposed for Title III support but not funded? What happened with the proposed activities?

9. What program development activities have been tried but abandoned or revised significantly?

10. What lessons have been learned by the operation and impact of the program developmental activities? Who has learned these lessons, and what does this promise for future developmental effort?

11. What are the prospects for long-term operation of current developmental activities? What are the critical factors or challenges?

12. What are the priorities for further program development at this time? Who is setting them?

13. How are budgets set for developmental program activities? What is the institution contributing?

14. What have been the most effective or far-reaching impacts of program development? What changes have occurred? How has the institution (broadly) benefitted?

15. What role has Title III intent (as perceived by the institution) played in the program development of the institution? What problems has it created? How would responsible institutional officials like to see the Title III program changed?

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